

State Law Library of Montana
MONTANA LEGISLATIVE HISTORY

Chapter 584 Session L 1981
Bill House _____ Senate 337

History and final status sheet X
Introduced bill X
Fiscal note X
Third reading bill X
Final version of bill X

House Committee on Taxation

Hearing date(s)* 4-7
4-13

Executive action (vote) date(s)* Unknown

Comm. Report Not available

Floor 2nd reading & vote 4-22;4-23

Floor 3rd reading & vote 4-22;4-23

Senate Committee on Taxation

Hearing date(s)* 2-12
3-21

Executive action (vote) date(s)* 3-21

Comm. Report 3-21

Floor 2nd reading & vote 3-26; 4-23

Floor 3rd reading & vote 3-28;4-23

Conference or Free Conference Comm. X Yes _____ No

Hearing date(s)* 4-23

Executive action (vote) date(s)* 4-23

* Includes minutes, exhibits, roll call, visitors register, and vote sheet if available.

Did this bill originate in an interim committee? _____ Yes X No
Committee _____ Report _____

NOTES: Providing Property Tax Relief for Homeowners & Renters By Allowing
An Income Tax Credit



Compiled by: rg

Date: 10/4/2016

RETURNED TO SENATE: 3/26

TRANSMITTED TO GOVERNOR: 4/3/81
ACTION: 4/8, SIGNED
CHAPTER 303

SB 335 -- HAZELBAKER -- ADOPTING A NEW DEFINITION MARINE, INLAND MARINE,
AND TRANSPORTATION INSURANCE.

INTRODUCED AND REFERRED TO COMMITTEE ON JUDICIARY: 1/30

HEARING: 2/14

REPORT: 2/19, DO PASS AS AMENDED

2ND READING: 2/21, DO PASS

3RD READING: 2/25, YEAS: 49; NAYS: 0

TRANSMITTED TO HOUSE: 2/25

REFERRED TO COMMITTEE ON BUSINESS AND INDUSTRY: 3/3

HEARING: 3/11

REPORT: 3/11, BE CONCURRED IN

ON MOTION, 3/21, PASSED FOR THE DAY.

2ND READING: 3/24, AS AMENDED -- YEAS: 86; NAYS: 0

ON MOTION, 3/27, RECOMMITTED TO 2ND READING

2ND READING: 3/28, AS AMENDED -- YEAS: 68; NAYS: 2

3RD READING: 3/31, YEAS: 85; NAYS: 10

RETURNED TO SENATE WITH AMENDMENTS: 3/31

2ND READING: 4/10, BE CONCURRED IN

ON MOTION, 4/11, RULES SUSPENDED, PLACED ON 3RD READING

3RD READING: 4/11, YEAS: 47; NAYS: 0

TRANSMITTED TO GOVERNOR: 4/16/81

ACTION: 4/21, SIGNED

CHAPTER 467

SB 336 -- RYAN, TOWE, MAZUREK -- ALLOWING THE BOARD OF PARDONS TO
DELEGATE CERTAIN HEARING FUNCTIONS.

INTRODUCED AND REFERRED TO COMMITTEE ON JUDICIARY: 1/30

HEARING: 2/14

REPORT: 2/14, DO PASS

2ND READING: 2/18, DO PASS AS AMENDED

3RD READING: 2/20, YEAS: 46; NAYS: 2

TRANSMITTED TO HOUSE: 2/20

REFERRED TO COMMITTEE ON JUDICIARY: 2/21

HEARING: 3/16

REPORT: 3/16, BE CONCURRED IN

2ND READING: 3/21, YEAS: 89; NAYS: 0

3RD READING: 3/24, YEAS: 96; NAYS: 0

RETURNED TO SENATE: 3/24

TRANSMITTED TO GOVERNOR: 3/28/81

ACTION: 4/1, SIGNED

CHAPTER 234

SB 337 -- PEGAN, BLAYLOCK, TOWE, ET AL -- PROVIDING PROPERTY TAX RELIEF
FOR HOMEOWNERS AND RENTERS BY ALLOWING AN INCOME TAX CREDIT.

FISCAL NOTE: REQUIRED

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION: 1/30

HEARING: 2/12

REPORT: 4/23, DO PASS

2ND READING: 3/26, AS AMENDED -- YEAS: 48; NAYS: 1
3RD READING: 3/28, YEAS: 44; NAYS: 3

TRANSMITTED TO HOUSE: 3/28
REFERRED TO COMMITTEE ON TAXATION: 3/30
HEARING: 4/7
ON MOTION, 4/21, PLACED ON 2ND READING
2ND READING: 4/22, AS AMENDED -- YEAS: 81; NAYS: 8
ON MOTION, 4/22, RULES SUSPENDED, PLACED ON 3RD READING
3RD READING: 4/22, YEAS: 89; NAYS: 6

RETURNED TO SENATE WITH AMENDMENTS: 4/22
2ND READING: 4/23, BE NOT CONCURRED
ON MOTION, 4/23, FREE CONFERENCE COMMITTEES APPOINTED

FREE CONFERENCE COMMITTEE REPORT NO. 1: 4/23
HOUSE
2ND READING: 4/23, YEAS: 73; NAYS: 14
ON MOTION, 4/23, RULES SUSPENDED, PLACED ON 3RD READING
3RD READING: 4/23, YEAS: 77; NAYS: 10

SENATE
2ND READING: 4/23, BE CONCURRED IN
3RD READING: 4/23, YEAS: 47; NAYS: 1

TRANSMITTED TO GOVERNOR: 4/23
ACTION: 5/1, SIGNED
CHAPTER 594

SB 338 -- KEATING -- ALLOWING RESTAURANTS TO BE LICENSED TO SELL BEER
OR TABLE WINE FOR OFF-PREMISES CONSUMPTION.
FISCAL NOTE: REQUIRED
INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND
INDUSTRY: 1/30
HEARING: 2/13
REPORT: 2/14, DO PASS AS AMENDED
2ND READING: 2/17, DO PASS
3RD READING: 2/19, YEAS: 45; NAYS: 3

TRANSMITTED TO HOUSE: 2/19
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 2/20
HEARING: 3/4
REPORT: 3/6, BE CONCURRED IN
2ND READING: 3/9, YEAS: 61; NAYS: 17
3RD READING: 3/11, YEAS: 75; NAYS: 19

RETURNED TO SENATE: 3/11
TRANSMITTED TO GOVERNOR: 3/16/81
ACTION: 3/18, SIGNED
CHAPTER 86

SB 339 -- MAZUREK, HALLIGAN, MCBRIDE, ET AL -- AUTHORIZING CREATION OF
BUSINESS IMPROVEMENT DISTRICTS.
INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION: 1/30
HEARING: 2/13
FAILED TO MEET TRANSMITTAL DEADLINE: 4/6 -- DIED

SB 340 -- TURNAGE, STEPHENS -- AMENDING 5-1-103 TO CLARIFY ITS
APPLICATION FOR FILLING A VACANCY ON THE DISTRICTING AND
APPORTIONMENT COMMISSION.

1 *Senate* BILL NO. *337* *Holligan*
 2 INTRODUCED BY *Blaylock* *Hoffay* *Mezueh*
 3 BY REQUEST OF THE OFFICE OF THE GOVERNOR *Ryan*
 4 *Conover* *Eck* *Berg* *Norman* *Jackson* *Hoffman*
 5 *Stimants* *Sealy* *Thomas*
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE PROPERTY TAX
 7 RELIEF TO CERTAIN HOMEOWNERS AND RENTERS BY MEANS OF A
 8 CREDIT AGAINST INDIVIDUAL INCOME TAX LIABILITY; PROVIDING
 9 PENALTIES FOR FRAUDULENT CLAIMS; AND PROVIDING AN EFFECTIVE
 10 DATE."
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Definitions. As used in [sections 1 through
 13 10], the following definitions apply:
 14 (1) "Income" means federal adjusted gross income,
 15 without regard to loss, as that quantity is defined in the
 16 Internal Revenue Code of the United States, plus all
 17 nontaxable income, including but not limited to:
 18 (a) the gross amount of any pension or annuity
 19 (including Railroad Retirement Act benefits and veterans'
 20 disability benefits);
 21 (b) the amount of capital gains excluded from adjusted
 22 gross income;
 23 (c) alimony;
 24 (d) support money;
 25 (e) nontaxable strike benefits;

1 (f) cash public assistance and relief;
 2 (g) all payments received under federal social
 3 security; and
 4 (h) payments and interest on federal, state, county,
 5 and municipal bonds.
 6 (2) "Claim period" means the tax year for individuals
 7 required to file Montana individual income tax returns and
 8 the calendar year for individuals not required to file
 9 returns.
 10 (3) "Claimant" means an individual natural person who
 11 is eligible to file a claim under [section 2].
 12 (4) "Household" means an association of persons who
 13 live in the same dwelling, sharing its furnishings,
 14 facilities, accommodations, and expenses. The term does not
 15 include bona fide lessees, tenants, or roomers and boarders
 16 on contract.
 17 (5) "Household income" means all income received by
 18 all individuals of a household while they are members of the
 19 household.
 20 (6) "Homestead" means a single-family dwelling or unit
 21 of a multiple-unit dwelling that is subject to ad valorem
 22 taxes in Montana, owned and occupied as a residence by the
 23 owner for at least 6 months of the claim period or occupied
 24 as a dwelling of a renter or lessee for at least 6 months of
 25 the claim period, and as much of the surrounding land, but

1 not in excess of 1 acre, as is reasonably necessary for its
2 use as a dwelling.

3 (7) "Department" means the department of revenue.

4 (8) "Gross rent" means the total rent in cash or its
5 equivalent actually paid during the claim period by the
6 renter or lessee for the right of occupancy of the homestead
7 pursuant to an arm's length transaction with the landlord.

8 (9) "Property tax paid" means general ad valorem taxes
9 levied against the homestead, exclusive of special
10 assessments, penalties, or interest and paid during the
11 claim period.

12 (10) "Rent-equivalent tax paid" means 15% of the gross
13 rent.

14 Section 2. Eligibility. In order to be eligible to
15 make a claim under [sections 1 through 10], an individual
16 must have reached age 62 or older during the claim period
17 for which relief is sought and must have resided in Montana
18 for at least 9 months of that period.

19 Section 3. Disallowance or adjustment of certain
20 claims. (1) A claim is disallowed if the department finds
21 that the claimant received title to his homestead primarily
22 for the purpose of receiving benefits under [sections 1
23 through 10].

24 (2) When the landlord and tenant have not dealt at
25 arm's length and the department judges the gross rent

1 charged to be excessive, the department may adjust the gross
2 rent to a reasonable amount.

3 Section 4. Filing date. (1) Except as provided in
4 subsection (2), a claim for relief must be submitted at the
5 same time the claimant's individual income tax return is
6 due. For an individual not required to file a tax return,
7 the claim must be submitted on or before April 15 of the
8 year following the year for which relief is sought.

9 (2) The department may grant a reasonable extension
10 for filing a claim whenever, in its judgment, good cause
11 exists. The department shall keep a record of each extension
12 and the reason for granting the extension.

13 (3) In the event that an individual who would have a
14 claim under [sections 1 through 10] dies before filing the
15 claim, the personal representative of the estate of the
16 decedent may file the claim.

17 Section 5. Form of relief. Relief under [sections 1
18 through 10] is a credit against the claimant's Montana
19 individual income tax liability for the claim period. If the
20 amount of the credit exceeds the claimant's liability under
21 Title 15, chapter 30, the amount of the excess shall be
22 refunded to the claimant. The credit may be claimed even
23 though the claimant has no income taxable under Title 15,
24 chapter 30.

25 Section 6. Computation of relief. The amount of the

1 tax credit granted under the provisions of [sections 1
2 through 10] is computed as follows:

3 (1) In the case of a claimant who owns the homestead
4 for which a claim is made, the credit is the amount of
5 property tax paid less the deduction specified in subsection
6 (3).

7 (2) In the case of a claimant who rents the homestead
8 for which a claim is made, the credit is the amount of
9 rent-equivalent tax paid less the deduction specified in
10 subsection (3).

11 (3) Property tax paid and rent-equivalent tax paid are
12 reduced according to the following schedule:

Household income	Amount of reduction
14 \$ 0-999	\$0
15 1000-1999	\$0
16 2000-2999	the product of .006 times the household income
17 3000-3999	the product of .016 times the household income
18 4000-4999	the product of .024 times the household income
19 5000-5999	the product of .028 times the household income
20 6000-6999	the product of .032 times the household income
21 7000-7999	the product of .035 times the household income
22 8000-8999	the product of .039 times the household income
23 9000-9999	the product of .042 times the household income
24 10000-10999	the product of .045 times the household income
25 11000-11999	the product of .048 times the household income

1 12000 & over the product of .050 times the household income

2 (4) In no case may the credit granted exceed \$400.

3 Section 7. Limitations. (1) Only one claimant per
4 household in a claim period under the provisions of
5 [sections 1 through 10] is entitled to relief.

6 (2) No claim for relief may be allowed for any portion
7 of property taxes paid or rent-equivalent taxes paid that is
8 derived from a public rent or tax subsidy program.

9 Section 8. Proof of claim. A receipt showing property
10 tax paid or a receipt showing gross rent paid, whichever is
11 appropriate, must be filed with each claim. In addition,
12 each claimant must, at the request of the department, supply
13 all additional information necessary to support his claim.

14 Section 9. Denial of claim. A person filing a false or
15 fraudulent claim under the provisions of [sections 1 through
16 10] shall be charged with the offense of unsworn
17 falsification to authorities pursuant to section 45-7-203.
18 If a false or fraudulent claim has been paid, the amount
19 paid may be recovered as any other debt owed to the state.
20 An additional 10% may be added to the amount due as a
21 penalty. The unpaid debt shall bear interest from the date
22 of the original payment of claim until paid, at the rate of
23 1% per month.

24 Section 10. Administration. The department may adopt
25 rules necessary for the administration of [sections 1

1 through 10] and shall make the appropriate forms and
2 instructions available to the public.

3 Section 11. Codification. Instruction. Sections: 1
4 through 10 of this act are intended to be codified as an
5 integral part of Title 15, chapter 30, and the provisions of
6 Title 15, chapter 30, apply to sections 1 through 10.

7 Section 12. Effective date. This act is effective on
8 passage and approval and is applicable to claim periods
9 beginning during and after calendar year 1981.

-End-

STATE OF MONTANA

REQUEST NO. 258-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 3, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 337 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

An act to provide property tax relief to certain homeowners and renters by means of a credit against individual income tax liability; providing penalties for fraudulent claims; and providing an effective date.

Assumptions

1. There are 110,936 individuals aged 62 and over in the state.
2. The income distribution of renters and homeowners over 62 years is as follows:

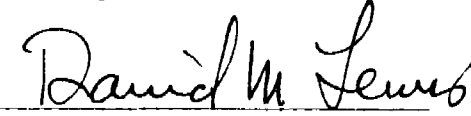
	Number of Homeowners	Number of Renters
\$ 0 - \$ 2,000	2,944	1,656
2,000 - 2,999	4,672	2,628
3,000 - 3,999	4,672	2,628
4,000 - 4,999	3,456	1,944
5,000 - 5,999	3,456	1,944
6,000 - 6,999	2,112	1,188
7,000 - 7,999	2,112	1,188
8,000 - 8,999	1,856	1,044
9,000 - 9,999	1,856	1,044
10,000 - 10,999	1,472	828
11,000 - 11,999	1,472	828

3. All homeowners who meet the income requirements fall under the special property class (i.e., taxable value equals 4.275% of assessed).
4. The average assessed home value is \$28,550 (obtained from Census figures). The average gross rent paid is \$1,440 (obtained from Census figures).
5. The average mill levy is 220 mills.

Fiscal Impact

The estimated loss of individual income tax revenue under this proposal is \$8-10 million for each fiscal year. No attempt was made to alter the assumptions to reflect FY 1983 values.

The distribution of income, the average gross rent paid, the level of property tax paid on a dwelling, and, in fact, the relationship between property tax paid and income are estimated from data sources which are quite old (1975 and before). At the same time, the estimation procedure is fairly sensitive to changes in these parameters. This means that a modest change in an assumption can lead to a significant change in impact.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-6-81

47th

LEGISLATIVE SESSION

SENATE BILLS

COMMITTEE ON TAXATION

BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO NOT PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
337	1-30-81	2-12-81		3-21-81					
339	1-30-81	2-13-81	Tabled	3-31-81					
344	2-02-81	2-17-81				4-04-81			
345	2-02-81	2-18-81				2-24-81			
355	2-03-81	2-16-81		3-26-81					
356	2-03-81	2-16-81				3-28-81			
358	2-03-81	2-18-81			3-06-81				
361	2-03-81	2-19-81		3-05-81					
372	2-05-81	2-19-81	Laid on the table	3-21-81					
382	2-06-81	2-18-81				3-09-81			
383	2-06-81	2-18-81		3-06-81					
384	2-09-81	2-20-81			3-21-81				
408	2-09-81	2-20-81	Tabled	3-19-81					
409	2-23-81	3-02-81				3-14-81			
412	2-10-81	2-20-81		2-21-81					
423	2-11-81	2-20-81	Tabled	3-21-81					

(Use Separate Sheet for Senate, House Bills, and Resolutions)

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 12, 1981

The twenty-fifth meeting of the Committee was called to order at 8:00 a.m. in Room 415 of the State Capitol Building, Chairman Pat Goodover presiding.

ROLL CALL: All members were present, except Senators Hager and Healy.

CONSIDERATION OF SENATE BILL 337:

"AN ACT TO PROVIDE PROPERTY TAX RELIEF TO CERTAIN HOMEOWNERS AND RENTERS BY MEANS OF A CREDIT AGAINST INDIVIDUAL INCOME TAX LIABILITY; PROVIDING PENALTIES FOR FRAUDULENT CLAIMS; AND PROVIDING AN EFFECTIVE DATE."

Sen. Regan said this is a property tax circuit breaker bill introduced by her at Gov. Schwinden's request. She said the elderly have always paid taxes on their property and then when they reach a certain age (she chose 62) their income is reduced, yet the taxes are increasing through inflation. In 1972, of the 20 million returns, \$10 billion was itemized and, therefore, allowed some consideration. She handed out copies of the bill's essence, Attachment #1. She continued by saying the bill is predicated on a sliding scale, page 5, lines 13 through line 1 on page 6. She took the committee through her computation process so that they could see how the bill would be applied. She concluded by saying she thought the bill was a good one because it doesn't interfere in any way with the taxable values--doesn't affect mill levies of governments or school districts.

PROPONENTS:

John Clark, Department of Revenue, appearing on behalf of Gov. Schwinden, handed out sheets explaining how taxes would be computed under the formula suggested by the bill, Attachment #2. "Household" is a unit income is defined for; renters were arbitrarily given 15% for property tax imputed to rent; "eligibility" is age criteria; "threshold" amount is table appearing in section 6. He said figures were out of date for the fiscal note, but thought the impact would be 8 to 10 million dollars, including cash refunds.

Tom Ryan, Montana Senior Citizens Organization.
Jim Jensen, Low Income Senior Citizens in Montana.
Don Judge, Montana AFL-CIO.

There were no opponents.

Sen. Regan closed by restating the fact that 17% of the 14 billion paid in property tax on single family homes was given credit on form 1040. On a national average 3.4% of income went to property taxes. When the proportion of property tax for the elderly is looked at, 8.1% went to property tax. She said this bill attempts to ease this.

February 12, 1981

Sen. Crippen questioned the cash refund mentioned. A check is received from the state only in instances where income is so low they don't owe the state. After discussion, it was decided that the majority of the credits would be given against the income tax, thereby not needing great administrative expense. Mr. Clark said a \$120/mo figure was chosen for rentals and he said if the figure were revised upward it would increase the impact, but the estimate was from 8 to 10 million a year.

The hearing was closed on Senate Bill 337.

CONSIDERATION OF SENATE BILL 322:

"AN ACT TO STIMULATE THE PRODUCTION AND USE OF ORGANIC FERTILIZER AND SOIL AMENDMENTS IN MONTANA BY PROVIDING TAX INCENTIVES AND REQUIRING USE OF SUCH FERTILIZER AND SOIL AMENDMENTS IN CERTAIN INSTANCES; AMENDING SECTIONS 15-6-135, 15-30-121, AND 15-31-114, MCA."

Sen. Mike Halligan said all farmers and ranchers know the problems with saline seep, erosion, cropping, and strip mining. Waste in county landfills exude methane gas in some places, but the waste as it is now in landfills or sewage treatment plants could be made a resource. He referred to the tax schedule on page 3 of the bill saying the schedule was obtained from the Energy Conservation laws for insulating homes. He wanted to amend the schedule at this time. Because 99% of the people he wanted to hit were in the first category, he wanted to amend page 3, line 6, strike "and a portion" and add "100% of his expenditure." Strike the rest down to line 16. Sen. Halligan introduced Bill Horvath from Hungary, who runs the compost plant in Missoula, and has a PhD in resource technology from two different universities.

Mr. Horvath passed a sample of his plant's product around and also a copy of testimony, Attachment #3.

PROPOSERS:

Bill Potts, State Solid Waste Bureau.
Bill Cregg, Mayor of Missoula
Lucy Brieger, Environmental Information Center

OPPOSERS:

John Clark, Department of Revenue, thought Sen. Halligan's amendments may have cleared one of their problems with the bill. He thought there was one slight technical problem on page 2, line 24, about definition in 80-10-101.

Dr. Horvath said this product is a soil amendment. Fertilizers have to have about 6% nitrogen. Sen. Halligan asked if he and Cort could perhaps work together to strengthen the wording.

Jo Brunner, Montana Agriculture Business Association, Attachment #4.

Ray Bjornson, Department of Agriculture, said they license the product

ROLL CALL

TAXATION

COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 2/12/81

NAME	PRESENT	ABSENT	EXCUSED
Goodover, Pat M., Chairman	✓		
McCallum, George, Vice	✓		
Brown, Bob	✓		
Brown, Steve	✓		
Crippen, Bruce D.	✓		
Eck, Dorothy	✓		
Elliott, Roger H.	✓		
Hager, Tom		✓	
Healy, John E. "Jack"		✓	
Manley, John E.	✓		
Norman, Bill	✓		
Ochsner, J. Donald	✓		
Severson, Elmer D.	✓		
Towe, Thomas E.	✓		

Each day attach to minutes.

PROPERTY TAX CIRCUIT BREAKER BILL

This bill provides an income tax credit for a portion of the property tax or rent Montana residents over 61 years old pay for their primary residence.

The maximum credit allowed is \$400 per household. The amount of credit decreases as the household income increases. "Household Income" is defined to include both the taxable and nontaxable (social security payments, pensions, capital gains) income of all those living in the primary residence.

Senior citizens living in a rented homestead are allowed to claim 15% of the gross rent as "equivalent tax paid". Persons living in accommodations exempt from property tax (public housing) are not allowed to claim the credit.

Taxpayers may claim the credit on their income tax return or on a separate form, if no return is filed. If the credit exceeds tax liability, the state will refund the excess.

EXAMPLES

A single person 62 years old who had a household income of \$4,500 and who paid \$600 a year property tax on his home would receive a tax credit of \$400.

A retired couple who had a household income of \$8,000 and who paid \$700 a year property tax on their home would receive a tax credit of \$388.

A retired couple who rented their home for \$200 a month and had a household income of \$5,500 per year would receive a \$206 tax credit.

A couple over 61 years old who paid \$250 a month for rent and who had a household income of \$12,000 would receive a tax credit of \$150.

Examples of credit available under SB337.

1. Household income \$5400; rent \$150 per month

$$\text{Threshold amount } \$5400 \times .028 = \$15120$$

$$\text{Property tax imputed to rent } \$150 \times 12 \times .05 = \$290$$

$$\text{Amount of credit } \$290 - \$15120 = \$11880$$

2. Household income \$8000; property tax paid \$500

$$\text{Threshold amount } \$8000 \times .039 = \$312$$

$$\text{Amount of credit } \$500 - \$312 = \$188$$

3. Household income \$13500; property tax paid \$850

WITNESS STATEMENT

Name Don Judge Date 12/12/81
 Address P.O. Box 1176 Helena Support ? X
 Representing MT STATE AFL-CIO Oppos : ?
 Which Bill ? Senate Bill 337 Amend ?

Comments:

The Montana State AFL-CIO supports SB 337 as a responsible approach to providing tax relief to Senior Citizens. These persons are most often caught with a minimal income, often a fixed income, which may barely meet the minimal requirements of subsistence. This bill is truly a ^{tax} reform bill tied to income levels of senior citizens.

We encourage you to give this bill a 'do pass' recommendation.

✓ Please leave prepared statement with the committee secretary.

DATE _____

COMMITTEE ON

VISITORS' REGISTER

NAME	REPRESENTING	BILLS#	Check One	
			Support	Oppose
ROY BARNSON	MT. LEGIS. of Reps	322	322 337	332 337
Bill Potts	MT. Dept. of Health	322	x	
JOHN CLARK	GOV'S OFFICE	337		✓
Don Quigley	MT STATE AFL-CIO			✓
Bill Lucas	City of Missoula	322	✓	
Tom Ryan	Mont. Senior Cts Assn			✓
Bill Lucas	MT - RA			✓

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 21, 1981

The 53rd meeting of the committee, executive session, was called to order at 7:30 a.m., in Room 415 of the State Capitol Building, Chairman Pat Goodover presiding.

ROLL CALL: All members present, although Senator Towe arrived late. This is mentioned because the first two votes will show Senator Towe as not voting.

DISPOSITION OF SENATE BILL 126:

Senator Severson made a motion that the bill DO PASS. He handed out an Attachment, #1, explaining how all the fee system bills under consideration worked. He thought his was the best because it affects every county the same, is in the neighborhood of 25%, and is uniform. It doesn't have the inequity of larger cities paying less and smaller counties paying more.

GOODOVER: Where do we make up the monies to the counties?

SEVERSON: I don't figure on making it up and am not a proponent of revenue sharing.

McCALLUM: You are saying that the revenue the counties need will be shifted from the vehicle to another area?

SEVERSON: Any time you lower one class for either equity or just desire purposes you will create a shift. Then if the counties have to increase mill levies to bring in the same amount of revenue, it takes money from the ones getting the break.

McCALLUM: Many people are only paying taxes on a vehicle.

SEVERSON: I have heard that argument, and I think that is wrong again.

S. BROWN: It is my understanding that this isn't the final step. We have agreed to pass Elmer's bill so that it can get out on the floor. The summit wanted this bill and some others for purposes of discussion.

Senator Severson's motion was voted on and passed by a 12-1 margin.

DISPOSITION OF SENATE BILL 150:

The tax credit was amended to 40% instead of the full amount.

Senator Elliott made a motion that SB 150 be given a DO NOT PASS. Reasons: 1) 20% in relation to federal return is fair, 2) tax

STEPHENS: This is not a burden--all the assessors and treasurers would have to do would be to keep track of the over-all amount and when monies came back in, knowing this disbursement would be available, they would disburse the funds.

GOODOVER: Where will you get the money?

ECK: In the Republican package they have about 20 million dollars for some kind of relief to local governments. If the Republicans will agree to the Governor's proposal in 356 they could use it for local governments.

Senator Elliott made a motion that SB 283 be given a DO PASS, AS AMENDED. Senator Eck offered her amendment at this time for adoption. The vote on accepting Senator Eck's amendment failed to carry--6 ayes and 8 no's. Senator Elliott moved the bill for DO PASS, AS AMENDED, with his amendment. Motion carried.

DISPOSITION OF SENATE BILL 317:

ECK: This bill would allow money to go to school districts, municipalities, and roads.

MCCALLUM: I think a lot of these counties in eastern Montana that have a lot of oil production had tough times in the '30's. Counties would get a lot of tax land but people retained the mineral rights after the land was sold. I think we passed a bill to let them use some of that royalty for income to the counties.

TOWE: You can't use coal money for oil impacts. Counties and road funds are up to the maximum mills. No mechanism for transfer of one to the other. That's what this bill is about.

CRIPPEN: We have a bill in this committee that will increase the county road fund.

TOWE: 3 mills. It's really not significant.

CRIPPEN: I could support this bill if money were going to the general fund.

S. BROWN: My problem with this is I have to compare with coal. Now we are saying here if counties have oil and gas that's bad. I have a problem trying to redistribute and take it away from them.

MCCALLUM: I don't want to pass it out and I don't want to kill it. I will make a motion that we put this bill on the table. The motion passed to lay the bill on the table, Senators Crippen and Manley dissenting.

DISPOSITION OF SENATE BILL 337:

S. Brown made a motion that this bill be given a DO PASS. This bill does not have the problems that Senator Himsl's bill has

March 21, 1981
page 7

in that this bill applies to people who are only 62 years of age and older.

Senator Elliott wanted to speak against the motion. He doesn't object to the bill, just to the \$10 loss of revenue.

The vote on Senator Brown's motion carried by a 9-5 margin. Senate Bill 337 was given a DO PASS.

CONSIDERATION OF SENATE BILL 339:

Senator Steve Brown said he had amendments that would be offered for this one at a later date.

SENATE BILL 344: It was requested that this bill be held for HB 718.

DISPOSITION OF SENATE BILL 355:

Senator Eck moved that SB 355 DO PASS. I think there are changes to be made in the schedule.

ELLIOTT: What's the significance of 2,850 pounds to a vehicle?

SEVERSON: It's trying to define a small car and a larger car, I guess. Looking at this particular schedule I can't figure out how they came up with the bottom.

ELLIOTT: I am not familiar with weights. Do you think that would be a fair figure to use as opposed to 2,500-3,000?

SEVERSON: Practically all the smaller cars being sold today would be under the 2,850 pound figure. I feel the Governor is not doing what he thought he was doing. That Montana needs a fee system is overemphasized. Over 50% of the cars are in the neighborhood of cars 1974 or older. Under this bill, as cars get older, you are paying more and more and the person least able to pay pays.

ELLIOTT: I would like to offer a substitute amendment. I would raise the first column for less than 2 years to \$100 and over 8 to \$10.

TOWE: I'd like it based on a value to pick up income tax deduction. We can ask DOR to value each model and make every year. They determine what price is applied, set out a schedule saying one car pays one fee, and one pays another.

GOODOVER: Now you're getting back to my bill. I think it fits better. It was thought that 355 should be passed only if 356 is also, as they go together. One can't be passed without the other.

TOWE: I like the fee system better than this one.

Senator Elliott withdrew his motion.

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date Mar. 21, 1981

NAME	PRESENT	ABSENT	EXCUSED
Goodover, Pat M., Chairman	✓		
McCallum, George, Vice	✓		
Brown, Bob	✓		
Brown, Steve	✓		
Crippen, Bruce D.	✓		
Eck, Dorothy	✓		
Elliott, Roger H.	✓		
Hager, Tom	✓		
Healy, John E. "Jack"	✓		
Manley, John E.	✓		
Norman, Bill	✓		
Ochsner, J. Donald	✓		
Severson, Elmer D.	✓		
Towe, Thomas E.	(late) ✓	✓	

Each day attach to minutes.

SENATE COMMITTEE TAXATION

Date Mar 21, 1981 Senate Bill No. 337 Time 9:25 a.m.

NAME	YES	NO
SEN. McCALLUM (Vice-Chairman)		✓
SEN. BOB BROWN	✓	
SEN. STEVE BROWN	✓	
SEN. CRIPPEN	✓	
SEN. ECK	✓	
SEN. ELLIOTT		✓
SEN. HAGER	✓	
SEN. HEALY	✓	
SEN. MANLEY		✓
SEN. NORMAN	✓	
SEN. OCHSNER	✓	
SEN. SEVERSON		✓
SEN. TOWE	✓	
SEN. GOODOVER (CHAIRMAN)		✓

9 - 5

Betty Dean

Secretary

Motion:

Pat M. Goodover

Chairman

Sen. S. Brown made a motion
that SB 337 be given a DO PASS.

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

March 21

81

19

PRESIDENT:

MR.

TAXATION

We, your committee on

Senate

337

Bill No.

having had under consideration

Senate

337

Bill No.

Respectfully report as follows: That

Mc
DO PASS

Ayes: Berg, Blaylock, B. Brown, S. Brown, Conover, Elliott, Galt, Goodover, Graham, Haffey, Hager, Halligan, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Mazurek, McCallum, Norman, Ochsner, Olson, Regan, Ryan, Severson, Stephens, Thomas, Towe, Van Valkenburg, Mr. President.

Total 32

Noes: Aklestad, Anderson, Boylan, Etchart, Hafferman, Hammond, Nelson, O'Hara, Story.

Total 9

Excused: Smith.

Total 1

Absent or not voting: Crippen, Dover, Eck, Lee, Manley, Manning, Stimatz, Tveit.

Total 8

That House Bill No. 811, as amended, be concurred in by the following vote:

Ayes: Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Stephens, Stimatz, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 46

Noes: Aklestad, Dover, Story.

Total 3

Excused: Smith.

Total 1

Absent or not voting: None.

Total 0

That House Bill No. 578 be concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Smith.

Total 1

Absent or not voting: None.

Total 0

That Senate Bill No. 337, second reading copy, be amended as follows:

1. Page 3, line 15.
Following: "through"
Strike: "10"
Insert: "9"

2. Page 3, line 23.
Following: "through"
Strike: "10"
Insert: "9"

3. Page 4, line 14.
Following: "through"
Strike: "10"
Insert: "9"

4. Page 4, line 18.
Following: "through"
Strike: "10"
Insert: "9"

5. Page 5, line 2.
Following: "through"
Strike: "10"
Insert: "9"

6. Page 6, line 5.
Following: "through"
Strike: "10"
Insert: "9"

7. Page 6, line 16.
Strike: "10"
Insert: "9"

8. Page 6, line 24 through page 7, line 2.
Strike: Section 10 in its entirety
Renumber: subsequent sections

9. Page 7, line 4.
Following: "through"
Strike: "10"
Insert: "9"

10. Page 7, line 6.
Following: "through"
Strike: "10"
Insert: "9"

Amendments passed by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Smith.

Total 1

Absent or not voting: None.

Total 0

That Senate Bill No. 337, as amended, do pass by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 48

Noes: Elliott.

Total 1

Excused: Smith.

Total 1

Absent or not voting: None.

Total 0

That Senate Bill No. 476 do pass. Motion failed by the following vote:

Ayes: Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Eck, Graham, Haffey, Hager, Halligan, Healy, Jacobson, Norman, Regan, Ryan, Severson, Stimatz, Towe, Van Valkenburg.

Total 20

Noes: Aklestad, Anderson, Crippen, Elliott, Etchart, Galt, Goodover, Hafferman, Hammond, Hazelbaker, Himsl, Johnson, Keating, Kolstad, Lee, Manley, Mazurek, McCallum, Nelson, Ochsner, O'Hara, Olson, Stephens, Story, Thomas, Tveit, Mr. President.

Total 27

Excused: Smith.

Total 1

Absent or not voting: Dover, Manning.

Total 2

That Senate Bill No. 476 be indefinitely postponed. Motion carried by the following vote:

Ayes: Aklestad, Anderson, Crippen, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Hammond, Hazelbaker, Himsl, Johnson, Keating, Kolstad, Lee, Manley, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Stephens, Story, Thomas, Tveit, Mr. President.

Total 29

Noes: Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Eck, Haffey, Hager, Halligan, Healy, Jacobson, Regan, Ryan, Severson, Stimatz, Towe, Van Valkenburg.

Total 18

Excused: Smith.

Total 1

Absent or not voting: Dover, Manning.

Total 2

That House Bill No. 600 be concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham,

Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Smith.

Total 1

Absent or not voting: None.

Total 0

That House Bill No. 657 be concurred in by the following vote:

Ayes: Aklestad, Boylan, Dover, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Hager, Hammond, Hazelbaker, Himsl, Johnson, Kolstad, Lee, Manley, McCallum, Nelson, Ochsner, O'Hara, Olson, Severson, Stephens, Story.

Total 25

Noes: Anderson, Berg, Blaylock, B. Brown, S. Brown, Conover, Crippen, Eck, Haffey, Halligan, Healy, Jacobson, Keating, Manning, Mazurek, Norman, Regan, Ryan, Stimatz, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 24

Excused: Smith.

Total 1

Absent or not voting: None.

Total 0

That House Bill No. 773 be concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Smith.

Total 1

Absent or not voting: None.

Total 0

That House Bill No. 824 be concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan,

Conference Committee Report on Senate Bill No. 15, on Second Reading this day. Motion carried by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Towe, Tveit, Van Valkenburg, Mr. President.

Total 48

Noes: None.

Total 0

Excused: Thomas.

Total 1

Absent or not voting: Story.

Total 1

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

Senate Bill No. 44 was passed by the following vote:

Ayes: Aklestad, Anderson, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Ryan, Severson, Smith, Stephens, Stimatz, Towe, Tveit, Van Valkenburg, Mr. President.

Total 44

Noes: Berg, Blaylock, Eck, Regan.

Total 4

Excused: Thomas.

Total 1

Absent or not voting: Story.

Total 1

Senate Bill No. 337 was passed by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Eck, Etchart, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Towe, Tveit, Van Valkenburg, Mr. President.

Total 44

Noes: Dover, Elliott, Galt.

Total 3

Excused: Thomas.

Total 1

Absent or not voting: Nelson, Story.

Total 2

Senate Bill No. 484 was passed by the following vote:

Ayes: Anderson, Berg, Boylan, B. Brown, Conover, Crippen, Dover, Eck, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Regan, Severson, Smith, Stephens, Stimatz, Story, Towe, Tveit, Van Valkenburg, Mr. President.

Total 41

Noes: Aklestad, S. Brown, Elliott, Lee, Manley, Olson, Ryan.

Total 7

Excused: Thomas.

Total 1

Absent or not voting: Blaylock.

Total 1

House Bill No. 66 was concurred in by the following vote:

Ayes: Aklestad, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Kolstad, Lee, Manley, Manning, McCallum, Nelson, Norman, Ochsner, O'Hara, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Towe, Tveit, Van Valkenburg, Mr. President.

Total 44

Noes: Anderson, Berg, Mazurek, Olson.

Total 4

Excused: Thomas.

Total 1

Absent or not voting: Keating.

Total 1

House Bill No. 80 was concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Thomas.

Total 1

Absent or not voting: None.

Total 0

House Bill No. 167 was concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Kolstad, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan,

TAXATION COMMITTEE

47th Legislature

SENATE

Bill No.	Subject matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 279	Amending 16-1-411 to standardize the timing of imposition of table wine tax.	March 2	Goodover	March 11	Be concurred in 4 opposed March 13	March 13
SB 283	To exempt business inventories from taxation	April 4	Elliott	April 10	Be concurred in 11-8 April 13	
SB 284	Amending 67-10-402 to clarify when a vote of electors is required to incur an indebtedness for airport purposes.	March 2	Stimatz	April 10	Be concurred in Unan March 11	March 12
SB 292	To provide greater flexibility for the issuance of industrial development bonds by a municipality or county under title 90	March 19	Hager	March 23	Be concurred in as amended March 27 Unan	
SB 322	To stimulate the production and use of organic fertilizer and soil amendments in mt. by providing tax incentives.	March 20	Halligan	March 26	Be concurred in as amended 2 opposed April 10 Azzara	
SB 337	To provide property tax relief to certain homeowners and renters by means of a credit against individual income tax liability..	March 30	Regan	April 7		

=6=

SENATE BILL NO. 337

INTRODUCED BY REGAN, BLAYLOCK, TOWE, HAFEEY, MAZUREK,
HALLIGAN, CONOVER, ECK, BERG, NORMAN, JACOBSON,
P. RYAN, HAFFERMAN, THOMAS, STIMATZ, HEALY
BY REQUEST OF THE OFFICE OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE PROPERTY TAX
RELIEF TO CERTAIN HOMEOWNERS AND RENTERS BY MEANS OF A
CREDIT AGAINST INDIVIDUAL INCOME TAX LIABILITY; PROVIDING
PENALTIES FOR FRAUDULENT CLAIMS; AND PROVIDING AN EFFECTIVE
DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in [sections 1 through
10 2], the following definitions apply:

(1) "Income" means federal adjusted gross income,
without regard to loss, as that quantity is defined in the
Internal Revenue Code of the United States, plus all
nontaxable income, including but not limited to:

(a) the gross amount of any pension or annuity
(including Railroad Retirement Act benefits and veterans'
disability benefits);

(b) the amount of capital gains excluded from adjusted
gross income;

(c) alimony;

(d) support money;

(e) nontaxable strike benefits;

(f) cash public assistance and relief;

(g) all payments received under federal social
security; and

(h) payments and interest on federal, state, county,
and municipal bonds.

(2) "Claim period" means the tax year for individuals
required to file Montana individual income tax returns and
the calendar year for individuals not required to file
returns.

(3) "Claimant" means an individual natural person who
is eligible to file a claim under [section 2].

(4) "Household" means an association of persons who
live in the same dwelling, sharing its furnishings,
facilities, accommodations, and expenses. The term does not
include bona fide lessees, tenants, or roomers and boarders
on contract.

(5) "Household income" means all income received by
all individuals of a household while they are members of the
household.

(6) "Homestead" means a single-family dwelling or unit
of a multiple-unit dwelling that is subject to ad valorem
taxes in Montana, owned and occupied as a residence by the
owner for at least 6 months of the claim period or occupied

1 as a dwelling of a renter or lessee for at least 6 months of
2 the claim period, and as much of the surrounding land, but
3 not in excess of 1 acre, as is reasonably necessary for its
4 use as a dwelling.

5 (7) "Department" means the department of revenue.

6 (8) "Gross rent" means the total rent in cash or its
7 equivalent actually paid during the claim period by the
8 renter or lessee for the right of occupancy of the homestead
9 pursuant to an arm's length transaction with the landlord.

10 (9) "Property tax paid" means general ad valorem taxes
11 levied against the homestead, exclusive of special
12 assessments, penalties, or interest and paid during the
13 claim period.

14 (10) "Rent-equivalent tax paid" means 15% of the gross
15 rent.

16 Section 2. Eligibility. In order to be eligible to
17 make a claim under [sections 1 through 10 9], an individual
18 must have reached age 62 or older during the claim period
19 for which relief is sought and must have resided in Montana
20 for at least 9 months of that period.

21 Section 3. Disallowance or adjustment of certain
22 claims. (1) A claim is disallowed if the department finds
23 that the claimant received title to his homestead primarily
24 for the purpose of receiving benefits under [sections 1
25 through 10 9].

1 (2) When the landlord and tenant have not dealt at
2 arm's length and the department judges the gross rent
3 charged to be excessive, the department may adjust the gross
4 rent to a reasonable amount.

5 Section 4. Filing date. (1) Except as provided in
6 subsection (2), a claim for relief must be submitted at the
7 same time the claimant's individual income tax return is
8 due. For an individual not required to file a tax return,
9 the claim must be submitted on or before April 15 of the
10 year following the year for which relief is sought.

11 (2) The department may grant a reasonable extension
12 for filing a claim whenever, in its judgment, good cause
13 exists. The department shall keep a record of each extension
14 and the reason for granting the extension.

15 (3) In the event that an individual who would have a
16 claim under [sections 1 through 10 9] dies before filing the
17 claim, the personal representative of the estate of the
18 decedent may file the claim.

19 Section 5. Form of relief. Relief under [sections 1
20 through 10 9] is a credit against the claimant's Montana
21 individual income tax liability for the claim period. If the
22 amount of the credit exceeds the claimant's liability under
23 Title 15, chapter 30, the amount of the excess shall be
24 refunded to the claimant. The credit may be claimed even
25 though the claimant has no income taxable under Title 15,

1 chapter 30.

2 Section 6. Computation of relief. The amount of the
3 tax credit granted under the provisions of [sections 1
4 through ~~10~~ 9] is computed as follows:

5 (1) In the case of a claimant who owns the homestead
6 for which a claim is made, the credit is the amount of
7 property tax paid less the deduction specified in subsection
8 (3).

9 (2) In the case of a claimant who rents the homestead
10 for which a claim is made, the credit is the amount of
11 rent-equivalent tax paid less the deduction specified in
12 subsection (3).

13 (3) Property tax paid and rent-equivalent tax paid are
14 reduced according to the following schedule:

Household income	Amount of reduction
16 \$ 0-999	\$0
17 1000-1999	\$0
18 2000-2999	the product of .006 times the household income
19 3000-3999	the product of .016 times the household income
20 4000-4999	the product of .024 times the household income
21 5000-5999	the product of .028 times the household income
22 6000-6999	the product of .032 times the household income
23 7000-7999	the product of .035 times the household income
24 8000-8999	the product of .039 times the household income
25 9000-9999	the product of .042 times the household income

1 10000-10999 the product of .045 times the household income
2 11000-11999 the product of .048 times the household income
3 12000 & over the product of .050 times the household income

4 (4) In no case may the credit granted exceed \$400.

5 Section 7. Limitations. (1) Only one claimant per
6 household in a claim period under the provisions of
7 [sections 1 through ~~10~~ 9] is entitled to relief.

8 (2) No claim for relief may be allowed for any portion
9 of property taxes paid or rent-equivalent taxes paid that is
10 derived from a public rent or tax subsidy program.

11 Section 8. Proof of claim. A receipt showing property
12 tax paid or a receipt showing gross rent paid, whichever is
13 appropriate, must be filed with each claim. In addition,
14 each claimant must, at the request of the department, supply
15 all additional information necessary to support his claim.

16 Section 9. Denial of claim. A person filing a false or
17 fraudulent claim under the provisions of [sections 1 through
18 ~~10~~ 9] shall be charged with the offense of unsworn
19 falsification to authorities pursuant to section 45-7-203.
20 If a false or fraudulent claim has been paid, the amount
21 paid may be recovered as any other debt owed to the state.
22 An additional 10% may be added to the amount due as a
23 penalty. The unpaid debt shall bear interest from the date
24 of the original payment of claim until paid, at the rate of
25 1% per month.

1 ~~Section 10. Administration. The department may adopt~~
2 ~~rules necessary for the administration of [sections 1~~
3 ~~through 10] and shall make the appropriate forms and~~
4 ~~instructions available to the public.~~

5 Section 10. Codification instruction. Sections 1
6 through ~~10~~ 9 of this act are intended to be codified as an
7 integral part of Title 15, chapter 30, and the provisions of
8 Title 15, chapter 30, apply to sections 1 through ~~10~~ 9.

9 Section 11. Effective date. This act is effective on
10 passage and approval and is applicable to claim periods
11 beginning during and after calendar year 1981.

-End-

HOUSE TAXATION COMMITTEE MEETING MINUTES
April 7, 1981

A meeting of the House Taxation Committee was held on Tuesday, April 7, 1981 at 8:00 a.m. in Room 102 of the State Capitol. All members were present except Rep. Oberg, who was excused. SENATE BILLS 126, 252, 150, 337 and 466 were heard and EXECUTIVE ACTION was taken on SENATE BILL 466.

The first bill to be heard was SENATE BILL 252, sponsored by Sen. Pat Goodover. This is a new approach to a fee system; vehicles are put in four different classes as they are in the NADA book; see Exhibit "A." Each vehicle is classified as of its time of manufacture and always stays the same. For the first six years, the luxury car owner will pay twice as much. This bill is probably the closest to what the Governor wanted, but doesn't have as much of a fiscal impact as SB 355. Each class is also based on fuel consumption. The higher fuel consumers pay a higher fee. He suggested that the Committee ask the question, "Does any car, new or old, use any more road," when considering the fee distribution among the different ages of cars.

He pointed out that the editorial of the Butte Standard newspaper submitted that this bill compared to the Governor's proposal was another choice and with less fiscal impact; see Exhibit "B." The Schwinden plan is more of a tax redistribution plan because the oil industry would have to finance it. He submitted that while the GOP proposal might be vetoed by the Governor, this bill might not be. He said that auto tax relief was a high priority of Montana people.

Gerry Raunig, Montana Automobile Dealers Association, rose in support of the bill. This bill answers many of their objections to previous similar legislation.

Mike Stephen, Montana Association of Counties, rose in OPPOSITION to the bill. While these are good ideas in the bill, he was opposed to it because of the detrimental effects it would have on local governments. He submitted that this tax relief would have to be picked up by property tax increases.

Questions were then asked. Rep. Vinger asked Sen. Goodover if the fee would be deductible on income taxes. He said the classes were based on the price of the car as well as fuel consumption and on that basis, this could be considered a fee based on value, which could be a tax deductible item. It depends on how it would be determined by the Dept. of Revenue. He submitted that it was a matter of terminology. He pointed out that the reduced amount of the fee would save the person more than they would get from getting the tax deduction.

been designed for dealer plates, and demonstrator plates. As they foresee the system, the new dealer plates would be a limited edition. Any dealer could get enough to efficiently run a business. Use of demonstrator plates would be limited to no more than 72 hours. He submitted that they thought the system would work. In January of 1982, when the bill will go into effect, there will be three classes, and each will be a different color and it would be easy for law enforcement to decide who was abusing the privilege.

Larry Majerus, Administrator, Motor Vehicle Division, Dept. of Justice, then spoke up in support of the bill. The concept of dealer and demonstration plates is unique to Montana. Most States aren't satisfied with their present set-ups, however. This program can define things more clearly, especially in relation to law enforcement and the Justice Dept. The bill also clarifies the situation to the car dealers.

There were no OPPONENTS to the bill; questions were asked. Rep. Brand wanted to know if there was a limit to the number of demonstrator plates a dealer could get, and Mr. Raunig said there wasn't. However, the use of the plates is limited. Rep. Brand submitted that there should be a limit on these plates, also. Mr. Raunig said they didn't see a problem in this area.

Rep. Brand wanted to know what the abuses were which were being corrected and what abuses they still foresaw. Sen. Graham said there were a lot of cars being used by nondealers, but with dealer plates. Also, many auto dealers were using their "D" plates on RV's even though they weren't RV dealers. Also, wrecking yard owners who weren't demonstrating cars were taking advantage of the situation. As far as demonstrator plates being used by a nonauthorized person; as he understood the bill, the plates could only be used by employees.

Mr. Raunig then commented. This bill tightens up another loophole.

Larry Majerus clarified that the bill put a limit on the number of dealer plates. The demonstrator plates already had a limitation in the law.

Rep. Dozier wanted to know if there was a provision in the bill where a new dealer could get more than two sets of plates, and Mr. Raunig said that additional sets could be gotten upon showing a good cause that they were needed.

Sen. Graham then closed, and the hearing on SENATE BILL 466 was closed.

SENATE BILL 337, sponsored by Sen. Pat Regan, was then heard.

This bill provides property tax relief to certain home owners and renters by way of a credit against income tax liability. She went through the bill.

In terms of why the bill is needed: (1) the elderly have always paid their taxes whether they have rented or owned a home. Reductions in income upon retirement are met with increased rent or increased property taxes.

The statistics show that 3.4% of income goes for property taxes. Among the elderly, the figure is 8.1%. If income is very low (\$2,000), the tax is 16.2%. Middle and upper income people have always had property tax relief because of the deductions which can be taken when income taxes are itemized. In 1972 nearly \$10 billion of property taxes were claimed on the standard 1040 form; this was 70% of the property tax that had been spent by single families. The higher the income bracket, the more the tax relief, because it becomes available if the taxpayer itemizes.

John Clark, Dept. of Revenue, then rose in support of the bill on behalf of the Governor; see Exhibit "F." The relief goes not only to home owners but to renters, and this is a first-time thing in Montana. SENATE BILLS 33, 102, and HOUSE BILL 541 set up graduated property tax schemes for allowing relief and they anticipate leaving what is in the statutes or one of those bills in effect also, and this bill would be a supplement to that local relief. This bill provides that the matter be handled in the income tax system rather than going to the County offices and pleading poverty.

Jim Jensen, Low Income Senior Citizens Advocacy, rose in support of the bill. The main virtue of the bill is the allowance for renters, who have never had any property tax relief in Montana.

Rep. Sivertsen asked Mr. Clark what basis he used to arrive at the figures in the scale. He replied that the income was divided into monthly amounts, and then, looking at what would be a reasonable amount to take out of a monthly income, the computation would be done on a schedule on the income tax form; the person would look at total income and multiply it times the factor.

Sen. Regan said the schedules would be sent out with the Montana income tax form; it was a very simple matter to figure out.

Rep. Brand wanted to know how many older people Sen. Regan thought would go through the formula to take advantage of the break. She said that many people would take advantage of it; it was a very simple calculation.

Sen. Regan then closed, and the hearing on SENATE BILL 337 was closed.

Examples of credit available under SB337. TAXATION 4/11/17
EXHIBIT

1. Household income \$5400; rent \$150 per month

$$\text{Threshold amount } \$5400 \times .028 = \$151.20$$

$$\text{Property tax imputed to rent } \$150 \times 12 \times .05 = \$270$$

$$\text{Amount of credit } \$270 - \$151.20 = \$118.80$$

2. Household income \$8000; property tax paid \$500

$$\text{Threshold amount } \$8000 \times .039 = \$312$$

$$\text{Amount of credit } \$500 - \$312 = \$188$$

3. Household income \$13,500; property tax paid \$850

$$\text{Threshold amount } \$13,500 \times .05 = \$675$$

$$\text{Amount of credit } \$850 - \$675 = \$175$$

4. Household income \$2,500; rent \$125 per month

$$\text{Threshold amount } \$2,500 \times .006 = \$15$$

$$\text{Amount of credit } \$270 - \$151.20 = \underline{\underline{\$118.80}}$$

2 Household income \$8000 ; property tax paid \$500

$$\text{Threshold amount } \$8000 \times .039 = \$312$$

$$\text{Amount of credit } \$500 - \$312 = \underline{\underline{\$188}}$$

3 Household income \$13,500 ; property tax paid \$850

$$\text{Threshold amount } \$13,500 \times .05 = \$675$$

$$\text{Amount of credit } \$850 - \$675 = \underline{\underline{\$175}}$$

4. Household income \$2,500 ; rent \$125 per month

$$\text{Threshold amount } \$2,500 \times .006 = \$15$$

$$\text{Property tax imputed to rent } \$125 \times 12 \times .15 = \$225$$

$$\text{Amount of credit } \$225 - \$15 = \underline{\underline{\$210}}$$

5. Household income \$4500, property tax paid \$600

$$\text{Threshold amount } \$4500 \times .024 = \$108$$

$$\text{Amount of credit} = \text{smaller of } (\$600 - \$108, \$400) = \underline{\underline{\$400}}$$

VISITORS' REGISTER

HOUSE Traction COMMITTEE

FILE 58 337

Date 4/7/81

SPONSOR Riggs

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

036

HOUSE TAXATION COMMITTEE MEETING MINUTES
April 13, 1981

A meeting of the House Taxation Committee was held on Monday, April 13, 1981 at 8:00 a.m. in the Livestock Auditorium, Department of Justice. All members were present except Reps. Hart, Dozier, Williams and Zabrocki and Oberg. SENATE BILLS 344 and 356 were heard and EXECUTIVE ACTION was taken on SENATE BILLS 344, 200, and 283.

SENATE BILL 344, sponsored by Sen. Tom Towe, was the first bill to be heard. This bill deals with a tax on hard rock minerals. At present there are three separate taxes on these minerals, all of which are very small. The total combined is about 3% of the price of the product. This bill would provide for a graduated tax that would approximately add 3 - 3.5% more on the mining companies that would be affected. The bill will not affect any surface mining, which has a higher schedule. Also, small mines would be excluded. He explained the bill.

He pointed out that only a nominal tax would be in effect until January 1, 1983. The idea was not to put the tax on fully until the next Legislature so that the question could be addressed once more. The effective rate is 2% on the second schedule in the bill.

The Anaconda Company in Butte would be one of the mines that wouldn't be affected by the bill. He submitted that this language was clear; however, some Anaconda Company attorneys didn't agree with this. He added that he had an amendment that would make this even more clear; see Exhibit "A."

Subsection (b) on page 5 would in effect exempt the ASARCO mine. This mine moved into an area which had just geared down after the impact of the Libby dam, so there wasn't much impact. This same language will in effect exempt the Placer AMAX mine in Whitehall. Another AMAX mine might also be excluded. Perhaps the impacts from these mines should be addressed.

He supported the Senate amendment to the 125% credit, up to 150%. He submitted that this was an incentive and a benefit to everyone. There is a mechanism in the bill for taking care of front end impacts if they don't make any donation.

He had originally suggested the money go into the coal tax trust fund; now 100% of the money will go to an impact fund as provided for under Section 8.

He said Section 9 might be repealed because it was no longer necessary because another bill had repealed the material covered in the Section.

The Board set up by this bill would be very similar to the Coal Board. It may be as much as 1 1/3 to 1 1/2 year before any money comes in. This bill is needed because of impacts which will be substantial in the future if mining proceeds in the Stillwater Complex. These Counties

Rep. Brand rose in support of the bill. He didn't like the existing company exemptions portion, however. Also he took exception to the PGA Resources representative's testimony. He disagreed with the statement that coal didn't compete on the world market. (1) He didn't see where the mine metals were different from coal. (2) The tail end impacts that happen. It has always been felt that the State wholeheartedly supported the coal severance tax. If that is true and the tax stands, he thought that kind of tax was what was needed in the State. Mr. Allen said that the severance tax on oil was in the middle between metal mines and coal; if that was true, mine metals would be paying the smallest tax of the three. He said he didn't have much compassion for the larger mines because they hadn't treated the State fairly. Rep. Burnett questioned if there weren't some amendments to the bill offered by Sen. Towe. Rep. Brand said the exclusion wasn't needed.

Rep. Dan Kemmis, Minority Leader of the House, spoke up. He questioned why the Committee wanted to Table the bill rather than to dispose of it one way or another. Rep. Sivertsen said he had made the motion to do away with the bill. Rep. Kemmis said that it should be the responsibility of the Committee to get the bill before the full House. He submitted that the rules required that action be taken and bills be sent to the Floor of the House. Rep. Burnett said the Committee could table the bill for the time and pass it out before the end of the Session and still be within the 10-day rule. Rep. Harrington felt the bill should be brought to the Floor.

Rep. Sivertsen said it had been the practice in the past to table bills and he wanted the issue clarified. If Rep. Kemmis was correct, he submitted that he was out of order and everyone else had been out of order the entire session. Rep. Nordtvedt submitted that Committee was certainly free to table the bill for the time.

The question was called for on the motion to TABLE SB 344; motion carried 11 - 8; see roll call vote.

SENATE BILL 337 was then considered. Rep. Harrington moved that it BE CONCURRED IN. He brought up the possibility of changing the income requirement to "adjusted gross income," and possibly changing the dollar amounts somewhat.

Rep. Asay said that as the bill was, this would be the first time in the U. S. where Social Security and its recipients would be taxed.

Rep. Nordtvedt said at present, all sources had to be reported in addition to taxable sources, to find out if a person qualified. This is establishing the principle that Social Security is subject to taxable income. He found this objectionable and setting a bad precedent. He suggested that several Committee members work on changing the language from "income from all sources" to "adjusted gross" and changing the brackets accordingly, so they would have the same average

impact.

Rep. Oberg said he understood the concern about Social Security but pointed out that people could use a lot of tax advantages because of the fact that they didn't have to list all sources of income.

Rep. Nordtvedt submitted that the income reporting presently required in the bill wouldn't be enforceable and it was agreed to postpone action on the bill till the following day.

Rep. Harrington then moved that SENATE BILL 200 BE NOT CONCURRED IN.

Rep. Nordtvedt made a substitute motion that the bill BE CONCURRED IN. In the past several years there has been an explosion in the market price of oil and the net proceeds tax has been going up according to the full market price of that oil. However, that full market price isn't going to the producers or the royalty owners and unless the State wants to make a tax claim to the federal government, a bill like this is needed to allow the people producing this oil to subtract off the windfall profits tax before they arrive at net proceeds. The net proceeds are less the windfall profits tax, clearly. All the bill does is say the windfall profits tax is deducted. Even with the deduction, the tax on a barrel of oil will still be going up dramatically because some share of the rapid rise in price is going to the producers and royalty owners. It is basically a matter of whether revenues from the net proceeds tax, whether local or State, go up by 200% or 300% in the coming years. In either case, these governments will get a substantial increase in revenue.

Discussion took place regarding the Senate amendment on P. 5, lines 24 and 25. Rep. Nordtvedt said basically, every time the price of oil went up \$1, somewhere between 30 and 70% of the additional dollar went to the federal government. The question is, should the State continue to live in the false world of claiming that that money going to Washington is income to any of the parties subject to the net proceeds tax.

Rep. Vinger submitted that the passage of this bill would rob would-be profit from the producing Counties. Instead, it will go to the oil companies and the Counties will be getting less. Rep. Nordtvedt confirmed this. Rep. Roth submitted that the bill wouldn't reduce the revenue of the Counties.

Rep. Sivertsen agreed that this was true, but the Counties wouldn't get as much as they normally would have gotten; he said he would oppose the bill. It was part of a package that was being considered in the Summit, and he submitted that if the Committee didn't agree with what was going on in the Summit, a signal should be sent to the leadership that it didn't go along with what had been going on, and the bill should BE NOT CONCURRED IN.

Rep. Harrington submitted that \$70 million was being looked at. How many of the people back home would say, "That is how much tax relief is given to the people, and look at how much went to the oil companies," 039

Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Lund, Manuel, Marks, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Neuman, Oberg, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roth, Roush, Sales, Schultz, Shelden, Shontz, Stobie, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Wallin, Williams, Winslow, Zabrocki.
Total 79

Noes: Manning, Mueller, Nilson.
Total 3

Excused: Brand, Dozier, Ellerd, Gould.
Total 4

Absent or not voting: Burnett, Curtiss, Devlin, Donaldson, Fagg, Hurwitz, Nordtvedt, Ryan, Seifert, Sivertsen, Smith, Spilker, Switzer, Yardley.
Total 14

Representative Hanson moved that the Free Conference Committee Report on SB 257 be adopted. Motion carried by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Azzara, Bengtson, Bennett, Bergene, Bertelsen, Briggs, Brown, Conn, Conroy, Daily, Donaldson, Dussault, Ernst, Eudaily, Fabrega, Fagg, Fedra, Hanson, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Lory, Lund, Manning, Manuel, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Nilson, Nordtvedt, Oberg, O'Connell, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roush, Schultz, Shelden, Shontz, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Wallin, Williams, Winslow, Zabrocki.
Total 71

Noes: Bardanouve, Hannah, Harp, Moore, Mueller, Neuman, Sales, Seifert, Stobie, Switzer.
Total 10

Excused: Brand, Dozier, Ellerd, Gould.
Total 4

Absent or not voting: Burnett, Cozzens, Curtiss, Devlin, Ellison, Hurwitz, Kropp, Marks, O'Hara, Roth, Ryan, Sivertsen, Smith, Spilker, Yardley.
Total 15

Representative Keedy moved that the Governor's Amendments to SB 162 be concurred in. Motion carried by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Briggs, Brown, Conn, Cozzens, Daily, Dussault, Ellison, Ernst, Eudaily, Fabrega, Fedra, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kessler, Keyser, Kitselman, Kropp, Lory, Manning, Manuel, Marks, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Mueller, Neuman, Nilson, Oberg, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roth, Roush, Schultz, Seifert, Shelden, Shontz, Switzer, Teague, Thoft, Vincent, Vinger, Wallin, Williams, Winslow, Zabrocki.
Total 75

Noes: Conroy, Hannah, Moore, Sales, Stobie, Underdal.
Total 6

Excused: Brand, Dozier, Ellerd, Gould.
Total 4

Absent or not voting: Burnett, Curtiss, Devlin, Donaldson, Fagg, Hurwitz, Kennerly, Lund, Nordtvedt, Ryan, Sivertsen, Smith, Spilker, Waldron, Yardley.
Total 15

Representative Nordtvedt moved that SB 337, third reading copy, be amended. Amendment withdrawn.

Representative Harrington moved that SB 337, third reading copy, be amended as follows:

1. Page 6, line 4.
Following: "exceed"
Strike: "\$400"
Insert: "\$150".

Amendment passed by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Bennett, Bergene, Bertelsen, Briggs, Brown, Conn, Conroy, Cozzens, Curtiss, Daily, Dussault, Ellison, Ernst, Eudaily, Fabrega, Fagg, Fedra, Hannah, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Manning, Marks, McBride, McLane, Metcalf, Meyer, Moore, Mueller, Neuman, Nilson, Nordtvedt, O'Connell, O'Hara, Pavlovich, Pistoria, Quilici, Robbins, Roush, Sales, Schultz, Seifert, Shelden, Spilker, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Williams, Winslow, Yardley, Zabrocki.
Total 75

Noes: Bengtson, Wallin.
Total 2

Excused: Brand, Dozier, Ellerd, Gould.
Total 4

Absent or not voting: Azzara, Bardanouve, Burnett, Devlin, Donaldson, Hurwitz, Lund, Manuel, Matsko, Menahan, Oberg, Phillips, Roth, Ryan, Shontz, Sivertsen, Smith, Stobie, Switzer.
Total 19

Representative Harrington moved that SB 337, as amended, be concurred in. Representative Nordtvedt made a substitute motion that SB 337, third reading copy, be further amended as follows:

1. Page 2, line 19.
Following: "all"
Insert: "adjusted gross"
Following: "income"
Insert: "as reported on federal income tax returns"
2. Page 5, line 16.
Strike: "\$ 0.999"
Insert: "\$ 0.749"
3. Page 5, line 17.
Strike: "1000-1999"
Insert: "750-1499"
4. Page 5, line 18.
Strike: "2000-2999"
Insert: "1500-2249"
5. Page 5, line 19.

Strike: "3000-3999"
Insert: "2250-2999"

6. Page 5, line 20.
Strike: "4000-4999"
Insert: "3000-3749"

7. Page 5, line 21.
Strike: "5000-5999"
Insert: "3750-4499"

8. Page 5, line 22.
Strike: "6000-6999"
Insert: "4500-5249"

9. Page 5, line 23.
Strike: "7000-7999"
Insert: "5250-5999"

10. Page 5, line 24.
Strike: "8000-8999"
Insert: "6000-6749"

11. Page 5, line 25.
Strike: "9000-9999"
Insert: "6750-7499"

12. Page 6, line 1.
Strike: "10000-10999"
Insert: "7500-8249"

13. Page 6, line 2.
Strike: "11000-11999"
Insert: "8250-8999"

14. Page 6, line 3.
Strike: "12000 & over"
Insert: "9000 & over"

Amendment passed by the following vote:

Ayes: Andreason, Asay, Bennett, Bertelsen, Briggs, Burnett, Conroy, Cozzens, Curtiss, Devlin, Ernst, Eudaily, Fagg, Fed, Hannah, Harp, Hemstad, Hurwitz, Iverson, Keedy, Keyser, Kitselman, Kropp, Lory, Lund, Marks, Matsko, McLane, Moore, Nordtvedt, Phillips, Roth, Ryan, Sales, Schultz, Seifert, Shelden, Sivertsen, Spilker, Switzer, Teague, Thoft, Underdal, Vinger, Wallin, Winslow, Yardley.

Total 47

Noes: Abrams, Anderson, Bergene, Brown, Conn, Daily, Dussault, Fabrega, Hanson, Harper, Harrington, Hart, Holliday, Huennekens, Jacobsen, Jensen, Kanduch, Kemmis, Kennerly, Manning, Manuel, McBride, Menahan, Metcalf, Meyer, Mueller, Neuman, Nilson, Oberg, Pavlovich, Pistoria, Quilici, Robbins, Roush, Sholtz, Vincent, Waldron, Williams, Zabrocki.

Total 39

Excused: Brand, Dozier, Ellerd, Gould.
Total 4

Absent or not voting: Azzara, Bardanouve, Bengtson, Donaldson, Ellison, Kessler, O'Connell, O'Hara, Smith, Stobie.
Total 10

Representative Harrington moved that SB 337, as amended, be concurred in. Motion carried by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Azzara, Bardanouve, Bennett, Bergene, Bertelsen, Briggs, Brown, Burnett, Conn, Conroy, Cozzens, Curtiss, Devlin, Dussault, Ernst, Eudaily, Fabrega, Fed, Hannah, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Jacobsen, Jensen, Kanduch, Keedy, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Lund, Manning, Manuel, Marks, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Neuman, Nilson, Nordtvedt, Oberg, O'Connell, O'Hara, Phillips, Pistoria, Quilici, Robbins, Roth, Roush, Schultz, Seifert, Shelden, Shontz, Sivertsen, Spilker, Switzer, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Wallin, Williams, Winslow, Yardley, Zabrocki.

Total 81

Noes: Daily, Huennekens, Iverson, Mueller, Pavlovich, Ryan, Sales, Stobie.
Total 8

Excused: Brand, Dozier, Ellerd, Gould.
Total 4

Absent or not voting: Bengtson, Donaldson, Ellison, Fagg, Hurwitz, Kemmis, Smith.
Total 7

That the Committee rise and report and beg leave to sit again. (Hemstad, Chairman). Report adopted. (77-10)

MOTIONS

Representative Moore moved that the Free Conference Committee on HB 500 be dissolved and that the Speaker be authorized to appoint the same representatives to a new Free Conference Committee on HB 500. Motion carried.

Representative Nordtvedt moved that HB 73 be placed at the top of the Second Reading board this day. Motion carried.

Representative Fagg moved that the rules be suspended to allow all bills passing Second Reading to be placed on Third Reading this same day. Motion carried.

Representative Fagg moved that the rules be further suspended to allow all bills passing out of committee this day to be placed on Second Reading this same day. Motion carried.

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

Representative Ellison excused at this time.

Representatives Dozier and Gould present at this time.

Senate Bill No. 337, as amended, was concurred in by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Briggs, Burnett, Conn, Conroy, Cozzens, Curtiss, Daily, Donaldson, Dozier, Dussault, Ernst, Eudaily, Fabrega, Fagg, Fed, Gould, Hannah, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Hurwitz, Jacobsen, Jensen, Kanduch, Keedy,

Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Lund, Manning, Manuel, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Neuman, Nilson, Nordtvedt, Oberg, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roth, Roush, Schultz, Seifert, Shelden, Shontz, Sivertsen, Spilker, Stobie, Switzer, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Wallin, Williams, Winslow, Yardley, Zabrocki, Mr. Speaker.
Total 89

Noes: Devlin, Huennekens, Iverson, Mueller, Ryan, Sales.
Total 6

Excused: Brand, Ellerd, Ellison.
Total 3

Absent or not voting: Brown, Smith.
Total 2

Senate Bill No. 355, as amended, was concurred in by the following vote:

Ayes: Anderson, Azzara, Bardanouve, Bengtson, Bergene, Bertelsen, Briggs, Brown, Conn, Curtiss, Daily, Donaldson, Dozier, Dussault, Ellerd, Ernst, Eudaily, Fabrega, Fagg, Fedra, Gould, Hannah, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Iverson, Jensen, Kanduch, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Lund, Manning, Manuel, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Mueller, Nilson, Oberg, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roush, Ryan, Sales, Schultz, Switzer, Teague, Thoft, Vincent, Vinger, Waldron, Wallin, Williams, Winslow, Yardley, Zabrocki, Mr. Speaker.
Total 75

Noes: Abrams, Andreason, Asay, Bennett, Burnett, Conroy, Cozzens, Devlin, Hurwitz, Jacobsen, Keedy, Moore, Neuman, Nordtvedt, Roth, Roush, Ryan, Sales, Shontz, Sivertsen, Stobie, Underdal.
Total 22

Paired: Ellerd, Aye; Burnett, No.

Excused: Brand, Ellison.
Total 2

Absent or not voting: Smith.
Total 1

House Bill No. 876 was passed by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Briggs, Burnett, Conn, Conroy, Cozzens, Curtiss, Daily, Devlin, Donaldson, Dozier, Ernst, Eudaily, Fabrega, Fagg, Fedra, Gould, Hannah, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Hurwitz, Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Lund, Manning, Manuel, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Mueller, Neuman, Nilson, Nordtvedt, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roth, Roush, Ryan, Sales, Schultz, Seifert, Shelden, Shontz, Sivertsen, Spilker, Stobie, Switzer, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Wallin, Williams, Winslow, Zabrocki, Mr. Speaker.
Total 90

Noes: Azzara, Dussault, Huennekens, Oberg, Yardley.
Total 5

Excused: Brand, Ellerd, Ellison.
Total 3

Absent or not voting: Brown, Smith.
Total 2

Senate Joint Resolution No. 35 was concurred in by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Briggs, Brown, Burnett, Conn, Conroy, Cozzens, Curtiss, Daily, Devlin, Donaldson, Dussault, Ernst, Eudaily, Fabrega, Fagg, Fedra, Gould, Hannah, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Hurwitz, Iverson, Jacobsen, Jensen, Kanduch, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Lund, Manuel, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Neuman, Nordtvedt, Oberg, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roush, Ryan, Sales, Schultz, Seifert, Shelden, Shontz, Sivertsen, Spilker, Stobie, Switzer, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Wallin, Williams, Winslow, Yardley, Zabrocki, Mr. Speaker.
Total 90

Noes: Dozier, Keedy, Manning, Mueller, Nilson, Roth.
Total 6

Excused: Brand, Ellerd, Ellison.
Total 3

Absent or not voting: Smith.
Total 1

Free Conference Committee Report on Senate Bill No. 257 was adopted by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Briggs, Brown, Conn, Conroy, Cozzens, Curtiss, Daily, Donaldson, Dozier, Dussault, Ernst, Eudaily, Fabrega, Fagg, Fedra, Gould, Hannah, Hanson, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Hurwitz, Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Lory, Lund, Manning, Manuel, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Nilson, Nordtvedt, Oberg, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roush, Schultz, Shelden, Shontz, Sivertsen, Spilker, Teague, Thoft, Underdal, Vincent, Vinger, Waldron, Wallin, Winslow, Yardley, Zabrocki, Mr. Speaker.
Total 81

Noes: Burnett, Devlin, Hannah, Harp, Moore, Mueller, Neuman, Roth, Ryan, Sales, Seifert, Stobie, Switzer.
Total 13

Excused: Brand, Ellerd, Ellison.
Total 3

Absent or not voting: Kropp, Smith, Williams.
Total 3

Governor's Amendments to Senate Bill No. 162 were concurred in by the following vote:

Ayes: Abrams, Anderson, Andreason, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Briggs, Conn, Conroy, Cozzens, Curtiss, Daily, Donaldson, Dozier, Dussault, Ernst, Eudaily, Fabrega, Fagg,

House amendments to Senate Bill 337
April 22, 1981

1. Page 2, line 19.
Following: "all"
Insert: "adjusted gross"
Following: "income"
Insert: "as reported on federal income tax returns"
2. Page 5, line 16.
Strike: "0-999"
Insert: "0-749"
3. Page 5, line 17.
Strike: "1000-1999"
Insert: "750-1499"
4. Page 5, line 18.
Strike: "2000-2999"
Insert: "1500-2249"
5. Page 5, line 19.
Strike: "3000-3999"
Insert: "2250-2999"
6. Page 5, line 20.
Strike: "4000-4999"
Insert: "3000-3749"
7. Page 5, line 21.
Strike: "500-5999"
Insert: "3750-4499"
8. Page 5, line 22.
Strike: "6000-6999"
Insert: "4500-5249"
9. Page 5, line 23.
Strike: "7000-7999"
Insert: "5250-5999"
10. Page 5, line 24.
Strike: "8000-8999"
Insert: "6000-6749"
11. Page 5, line 25.
Strike: "9000-9999"
Insert: "6750-7499"
12. Page 6, line 1.
Strike: "10000-10999"
Insert: "7500-8249"
13. Page 6, line 2.
Strike: "11000-11999"
Insert: "8250-8999"
14. Page 6, line 3.
Strike: "12000 & over"
Insert: "9000 & over"
15. Page 6, line 4.
Following: "exceed"
Strike: "\$400"
Insert: "\$150"

SENATE BILL NO. 337

INTRODUCED BY REGAN, BLAYLOCK, TOWE, HAFLEY, MAZUREK,

HALLIGAN, CONOVER, ECK, BERG, NORMAN, JACOBSON,

P. RYAN, HAFFERMAN, THOMAS, STIMATZ, HEALY

BY REQUEST OF THE OFFICE OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE PROPERTY TAX RELIEF TO CERTAIN HOMEOWNERS AND RENTERS BY MEANS OF A CREDIT AGAINST INDIVIDUAL INCOME TAX LIABILITY; PROVIDING PENALTIES FOR FRAUDULENT CLAIMS; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in [sections 1 through 10], the following definitions apply:

(1) "Income" means federal adjusted gross income, without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all nontaxable income, including but not limited to:

(a) the gross amount of any pension or annuity (including Railroad Retirement Act benefits and veterans' disability benefits);

(b) the amount of capital gains excluded from adjusted gross income;

(c) alimony;

(d) support money;

(e) nontaxable strike benefits;

(f) cash public assistance and relief;

(g) all payments received under federal social security; and

(h) payments and interest on federal, state, county, and municipal bonds.

(2) "Claim period" means the tax year for individuals required to file Montana individual income tax returns and the calendar year for individuals not required to file returns.

(3) "Claimant" means an individual natural person who is eligible to file a claim under [section 2].

(4) "Household" means an association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses. The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

(5) "Household income" means all ADJUSTED GROSS income AS REPORTED ON FEDERAL INCOME TAX RETURNS received by all individuals of a household while they are members of the household.

(6) "Homestead" means a single-family dwelling or unit of a multiple-unit dwelling that is subject to ad valorem taxes in Montana, owned and occupied as a residence by the

1 owner for at least 6 months of the claim period or occupied
2 as a dwelling of a renter or lessee for at least 6 months of
3 the claim period, and as much of the surrounding land, but
4 not in excess of 1 acre, as is reasonably necessary for its
5 use as a dwelling.

6 (7) "Department" means the department of revenue.

7 (8) "Gross rent" means the total rent in cash or its
8 equivalent actually paid during the claim period by the
9 renter or lessee for the right of occupancy of the homestead
10 pursuant to an arm's length transaction with the landlord.

11 (9) "Property tax paid" means general ad valorem taxes
12 levied against the homestead, exclusive of special
13 assessments, penalties, or interest and paid during the
14 claim period.

15 (10) "Rent-equivalent tax paid" means 15% of the gross
16 rent.

17 Section 2. Eligibility. In order to be eligible to
18 make a claim under [sections 1 through ~~10~~ 9], an individual
19 must have reached age 62 or older during the claim period
20 for which relief is sought and must have resided in Montana
21 for at least 9 months of that period.

22 Section 3. ~~Disallowance~~ or adjustment of certain
23 claims. (1) A claim is disallowed if the department finds
24 that the claimant received title to his homestead primarily
25 for the purpose of receiving benefits under [sections 1

1 through ~~10~~ 9].

2 (2) When the landlord and tenant have not dealt at
3 arm's length and the department judges the gross rent
4 charged to be excessive, the department may adjust the gross
5 rent to a reasonable amount.

6 Section 4. Filing date. (1) Except as provided in
7 subsection (2), a claim for relief must be submitted at the
8 same time the claimant's individual income tax return is
9 due. For an individual not required to file a tax return,
10 the claim must be submitted on or before April 15 of the
11 year following the year for which relief is sought.

12 (2) The department may grant a reasonable extension
13 for filing a claim whenever, in its judgment, good cause
14 exists. The department shall keep a record of each extension
15 and the reason for granting the extension.

16 (3) In the event that an individual who would have a
17 claim under [sections 1 through ~~10~~ 9] dies before filing the
18 claim, the personal representative of the estate of the
19 decedent may file the claim.

20 Section 5. Form of relief. Relief under [sections 1
21 through ~~10~~ 9] is a credit against the claimant's Montana
22 individual income tax liability for the claim period. If the
23 amount of the credit exceeds the claimant's liability under
24 Title 15, chapter 30, the amount of the excess shall be
25 refunded to the claimant. The credit may be claimed even

1 though the claimant has no income taxable under Title 15,
2 chapter 30.

3 Section 6. Computation of relief. The amount of the
4 tax credit granted under the provisions of [sections 1
5 through 10 9] is computed as follows:

6 (1) In the case of a claimant who owns the homestead
7 for which a claim is made, the credit is the amount of
8 property tax paid less the deduction specified in subsection
9 (3).

10 (2) In the case of a claimant who rents the homestead
11 for which a claim is made, the credit is the amount of
12 rent-equivalent tax paid less the deduction specified in
13 subsection (3).

14 (3) Property tax paid and rent-equivalent tax paid are
15 reduced according to the following schedule:

Household income	Amount of reduction
16 \$-----8-999	
17 \$_____0-749	\$0
18 --1000-1999	
19 _____750-1499	\$0
20 --2000-2999	
21 _____1500-2249	the product of .006 times the household income
22 --3000-3999	
23 _____2250-2999	the product of .016 times the household income
24 --4000-4999	
25	

1 3000-3749 the product of .024 times the household income

2 --5000-5999

3 3750-4499 the product of .028 times the household income

4 --6000-6999

5 4500-5249 the product of .032 times the household income

6 --7000-7999

7 5250-5999 the product of .035 times the household income

8 --8000-8999

9 6000-6749 the product of .039 times the household income

10 --9000-9999

11 6750-7499 the product of .042 times the household income

12 10000-10999

13 7500-8249 the product of .045 times the household income

14 11000-11999

15 8250-8999 the product of .048 times the household income

16 12000-8-over

17 9000 & OVER the product of .050 times the household income

18 (4) In no case may the credit granted exceed \$400

19 \$150.

20 Section 7. Limitations. (1) Only one claimant per
21 household in a claim period under the provisions of
22 [sections 1 through 10 9] is entitled to relief.

23 (2) No claim for relief may be allowed for any portion
24 of property taxes paid or rent-equivalent taxes paid that is
25 derived from a public rent or tax subsidy program.

1 Section 8. Proof of claim. A receipt showing property
2 tax paid or a receipt showing gross rent paid, whichever is
3 appropriate, must be filed with each claim. In addition,
4 each claimant must, at the request of the department, supply
5 all additional information necessary to support his claim.

6 Section 9. Denial of claim. A person filing a false or
7 fraudulent claim under the provisions of [sections 1 through
8 ~~10 9~~] shall be charged with the offense of unsworn
9 falsification to authorities pursuant to section 45-7-203.
10 If a false or fraudulent claim has been paid, the amount
11 paid may be recovered as any other debt owed to the state.
12 An additional 10% may be added to the amount due as a
13 penalty. The unpaid debt shall bear interest from the date
14 of the original payment of claim until paid, at the rate of
15 1% per month.

16 ~~Section 10. Administration. The department may adopt~~
17 ~~rules necessary for the administration of [sections 1~~
18 ~~through 10] and shall make the appropriate forms and~~
19 ~~instructions available to the public.~~

20 Section 10. Codification instruction. Sections 1
21 through ~~10 9~~ of this act are intended to be codified as an
22 integral part of Title 15, chapter 30, and the provisions of
23 Title 15, chapter 30, apply to sections 1 through ~~10 9~~.

24 Section 11. Effective date. This act is effective on
25 passage and approval and is applicable to claim periods

1 beginning during and after calendar year 1981.

-End-

Noes: Aklestad, Anderson, Dover, Elliott, Etchart, Galt, Hammond, Himsl, Johnson, Keating, Kolstad, Manley, McCallum, Nelson, Ochsner, O'Hara, Olson, Severson, Smith, Stephens, Story, Tveit, Mr. President.
Total 23

Excused: None.

Total 0

Absent or not voting: None.

Total 0

(Including the following pair: S. Brown, aye - Kolstad, no.)

Senator Aklestad moved that House Bill No. 499 be taken from Third Reading and placed on Second Reading this day. Motion failed by the following vote:

Ayes: Aklestad, Boylan, B. Brown, Crippen, Elliott, Etchart, Galt, Goodover, Graham, Hammond, Johnson, Lee, Manley, Mazurek, McCallum, Ochsner, Olson, Ryan, Severson, Smith, Story, Tveit.
Total 22

Noes: Berg, Blaylock, S. Brown, Conover, Dover, Eck, Hafferman, Haffey, Hager, Halligan, Hazelbaker, Healy, Himsl, Jacobson, Keating, Manning, Nelson, Norman, O'Hara, Regan, Stephens, Stimatz, Thomas, Towe, Van Valkenburg, Mr. President.
Total 26

Excused: Kolstad.

Total 1

Absent or not voting: Anderson.

Total 1

(Including the following pairs: Smith, aye - Blaylock, no; Ochsner, aye - S. Brown, no.)

Senator Stephens moved, duly carried, that the new Conference Committee appointed to confer on House Amendments to Senate Bill No. 483 be dissolved, and that the President be authorized to appoint a Free Conference Committee.

The President appointed the following committee:

Senator B. Brown, Chairman
Senator Norman
Senator Turnage

Senator Haffey moved, duly carried, that the House be requested to return House Bill No. 873 for further consideration.

Senator Story moved, duly carried, that House Bill No. 876 be taken from the Committee on State Administration and placed on Second Reading this day.

SECOND READING OF BILLS (COMMITTEE OF THE WHOLE)

Senator Galt in the Chair.

Senate resumed. President Turnage in the Chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on Second Reading, recommend as follows:

That House Joint Resolution No. 34 be concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 48

Noes: Hafferman.

Total 1

Excused: Kolstad.

Total 1

Absent or not voting: None.

Total 0

That House Joint Resolution No. 49 be concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Kolstad.

Total 1

Absent or not voting: None.

Total 0

That House Amendments to Senate Bill No. 337 be not concurred in by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Kolstad.

Total 1

Absent or not voting: None.

Total 0

That House Bill No. 869, as amended, be concurred in by the following vote:

Ayes: Anderson, Berg, Blaylock, Boylan, S. Brown, Conover, Eck, Galt, Goodover, Graham, Haffey, Halligan, Hazelbaker, Healy, Jacobson, Lee, Manning, Mazurek, Nelson, Norman, O'Hara, Regan, Ryan, Stephens, Stimatz, Thomas, Towe, Van Valkenburg.
Total 28

Noes: Aklestad, B. Brown, Crippen, Dover, Elliott, Etchart, Hafferman, Hager, Hammond, Himsl, Johnson, Keating, Manley, McCallum, Ochsner, Olson, Severson, Smith, Story, Mr. President.
Total 20

Excused: Kolstad.
Total 1

Absent or not voting: Tveit.
Total 1

That House Bill No. 876 be concurred in by the following vote:

Ayes: Aklestad, Berg, Blaylock, Boylan, B. Brown, Conover, Dover, Eck, Elliott, Galt, Goodover, Graham, Hafferman, Hager, Halligan, Hammond, Hazelbaker, Himsl, Jacobson, Johnson, Keating, Manning, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Story, Thomas, Towe.
Total 36

Noes: Anderson, S. Brown, Crippen, Etchart, Haffey, Healy, Lee, Mazurek, Stimatz, Van Valkenburg, Mr. President.
Total 11

Excused: Kolstad.
Total 1

Absent or not voting: Manley, Tveit.
Total 2

That the Committee rise and report and beg leave to sit again. (Galt, Chairman)

That House Bill No. 869 be segregated from the Committee of the Whole Report.

A Call of the Senate was requested by Senator Stephens, sufficient seconds being shown.

Sufficient progress having been made by the following roll call vote, the call was lifted:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Thomas, Towe, Van Valkenburg, Mr. President.
Total 46

Noes: Lee, Manley.
Total 2

Excused: Kolstad.
Total 1

Absent or not voting: Tveit.
Total 1

Motion to segregate House Bill No. 869 from the Committee of the Whole Report failed by the following vote:

Ayes: Aklestad, Anderson, B. Brown, Crippen, Dover, Elliott, Etchart, Hafferman, Hager, Himsl, Johnson, Keating, Manley, McCallum, Ochsner, Olson, Severson, Smith, Story, Tveit, Mr. President.
Total 21

Noes: Berg, Blaylock, Boylan, S. Brown, Conover, Eck, Galt, Goodover, Graham, Haffey, Halligan, Hammond, Hazelbaker, Healy, Jacobson, Lee, Manning, Mazurek, Nelson, Norman, O'Hara, Regan, Ryan, Stephens, Stimatz, Towe, Van Valkenburg.
Total 27

Excused: Kolstad.
Total 1

Absent or not voting: Thomas.
Total 1

(Including the following pair: Tveit, aye - Goodover, no.)

Upon motion of Senator Galt, duly carried, the foregoing Report of the Committee of the Whole was adopted.

At the request of the President, and without objection, the Senate reverted to Order of Business No. 6.

MOTIONS

Senator Stephens moved, duly carried, that the Senate recess at the hour of 3:57 p.m. until the hour of 4:10 p.m.

Senator Stephens moved, duly carried, that the President be authorized to appoint a Free Conference Committee to confer on House Amendments to Senate Bill No. 337.

The President appointed the following committee:

Senator B. Brown, Chairman
Senator Hazelbaker
Senator Regan

At the request of the President, and without objection, the Senate reverted to Order of Business No. 2.

REPORTS OF STANDING COMMITTEES

COMMITTEE ON COMMITTEES (Galt, Chairman):

Does hereby appoint to the CAPITOL BUILDING AND PLANNING COMMITTEE upon approval of House Bill No. 872:

S. A. Olson
Jan Johnson
Pete Story

Max Conover
Carroll Graham
Chet Blaylock

Report adopted.

REPORTS OF SELECT COMMITTEES

FREE CONFERENCE COMMITTEE
ON SENATE BILL NO. 483
Report No. 2, April 23, 1981

MR. PRESIDENT AND SPEAKER OF THE HOUSE:

Total 47

Noes: Manley, Tveit.

Total 2

Excused: Kolstad.

Total 1

Absent or not voting: None.

Total 0

Senator Stephens moved that the following new Joint Rule be adopted: For the purpose of the Forty-seventh Legislature, any bill that has passed both houses of the Legislature by the Ninetieth Day may be enrolled, clerically corrected by the presiding officers, signed by the presiding officers, and delivered to the Governor not later than five days thereafter. All Journal entries authorized under this rule as announcements will be entered on the Journal for the Ninetieth Day. Motion carried by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Lee, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 48

Noes: None.

Total 0

Excused: Kolstad.

Total 1

Absent or not voting: Manley.

Total 1

Senator Stephens moved, duly carried, that the President be authorized to appoint a committee of four to notify His Excellency, the Governor, that the Senate of the Forty-seventh Legislature of the State of Montana, has completed its business and is ready to adjourn sine die.

The President appointed the following committee:

Senator Graham
Senator Manning
Senator McCallum
Senator Smith

Senator Stephens moved, duly carried, that the President be authorized to appoint a committee of four to notify the House of Representatives that the Senate of the Forty-seventh Legislature of the State of Montana has completed its business and is ready to adjourn sine die.

The President appointed the following committee:

Senator Hazelbaker
Senator Story
Senator Norman
Senator Boylan

Senator Stephens moved, duly carried, that the President be authorized to appoint a committee of four to notify the Chief Justice and Justices of

the Supreme Court, that the Senate of the Forty-seventh Legislature of the State of Montana, has completed its business and is ready to adjourn sine die.

The President appointed the following committee:

Senator Crippen
Senator B. Brown
Senator S. Brown
Senator Van Valkenburg

Senator Stephens moved, duly carried, that the Senate stand at ease at 10:36 p.m., subject to the Call of the Chair.

At the request of the President, and without objection, the Senate reverted to Order of Business No. 3.

REPORTS OF SELECT COMMITTEES

FREE CONFERENCE COMMITTEE

ON SENATE BILL NO. 337

Report No. 1, April 23, 1981

MR. PRESIDENT AND SPEAKER OF THE HOUSE:

We, your Free Conference Committee on Senate Bill No. 337, met April 23, 1981, and considered:

House Committee of the Whole Amendments to the third reading copy, dated April 22, 1981, and recommend as follows:

That the House recede from Committee Amendment Nos. 1 through 14;

That the Senate accede to Committee Amendment No. 15;

That the third reading copy of Senate Bill No. 337 be further amended as specified in CLERICAL INSTRUCTIONS NOS. 2 through 5;

That the third reading copy of Senate Bill No. 337 read as specified in the CLERICAL INSTRUCTIONS;

And, that the Free Conference Committee Report on Senate Bill No. 337 be adopted.

CLERICAL INSTRUCTIONS:

1. Page 6, line 4.
Following: "exceed"
Strike: "\$400"
Insert: "\$150"

2. Page 1, line 19.
Following: "income"
Insert: "except all payments received under federal social security"

3. Page 2, line 3.
Following: "relief;"
Insert: "and"

4. Page 2, lines 4 and 5.
Strike: subsection (g)
Renumber: subsequent subsection

5. Page 2, line 19.
Following: "all income"

Insert: "except payments received under federal social security"

FOR THE SENATE:

Senator B. Brown, Chairman
 Senator Hazelbaker
 Senator Regan

FOR THE HOUSE:

Representative Nordtvedt, Chairman
 Representative Fabrega
 Representative Harrington

Report adopted.

SECOND READING OF BILLS (COMMITTEE OF THE WHOLE)

Senator Galt in the Chair.

Senate resumed. President Turnage in the Chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on Second Reading, recommend as follows:

That the Free Conference Committee Report on Senate Bill No. 337 be adopted by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Elliott, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Lee, Manley, Manning, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 49

Noes: None.

Total 0

Excused: Kolstad.

Total 1

Absent or not voting: None.

Total 0

That the Committee rise and report. (Galt, Chairman)

Upon motion of Senator Galt, duly carried, the foregoing Report of the Committee of the Whole was adopted.

THIRD READING OF BILLS

The following bill having been read three several times, title and history agreed to, was disposed of in the following manner:

The Free Conference Committee Report to Senate Bill No. 337 was adopted by the following vote:

Ayes: Aklestad, Anderson, Berg, Blaylock, Boylan, B. Brown, S. Brown, Conover, Crippen, Dover, Eck, Etchart, Galt, Goodover, Graham, Hafferman, Haffey, Hager, Halligan, Hammond, Hazelbaker, Healy, Himsl, Jacobson, Johnson, Keating, Lee, Manley, Mazurek, McCallum, Nelson, Norman, Ochsner, O'Hara, Olson, Regan, Ryan, Severson, Smith, Stephens, Stimatz, Story, Thomas, Towe, Tveit, Van Valkenburg, Mr. President.

Total 47

Noes: Elliott.

Total 1

Excused: Kolstad.

Total 1

Absent or not voting: Manning.

Total 1

At the request of the President, and without objection, the Senate reverted to Order of Business No. 2.

REPORTS OF STANDING COMMITTEES

BILLS (O'Hara, Chairman):

Correctly enrolled - SB 33, SB 42, SB 77, SB 126, SB 129, SB 240, SB 243, SB 257, SB 286, SB 337, SB 355, SB 483, SB 485, SB 487, SJR 36. Report adopted.

Signed by the Speaker of the House and President of the Senate, 4/23/81, at the hour of 11:30 p.m., delivered to the Governor for his approval SB 50, SB 150, SB 162, SB 200, SB 221, SB 238, SB 258, SB 267, SB 283, SB 298, SB 320, SB 325, SB 352, SB 356, SB 367, SB 376, SB 399, SB 426, SB 452, SB 459, SB 460. Report adopted.

Signed by the Speaker of the House and President of the Senate, on this Ninetieth Legislative Day, delivered to the Governor for his approval - SB 33, SB 42, SB 77, SB 126, SB 129, SB 240, SB 243, SB 257, SB 286, SB 337, SB 355, SB 483, SB 485, SB 487. Report adopted.

The Senate will please take note that the President did, at the hour of 11:25 p.m., 4/23/81, sign the following bills:

HB 718, HB 775, HB 835, HB 872, HB 213.

Jean A. Turnage
 President

The Senate will please take note that the President did, on the Ninetieth Legislative Day, sign the following bills:

SB 33, SB 42, SB 77, SB 126, SB 129, SB 240, SB 243, SB 257, SB 286, SB 337, SB 355, SB 483, SB 485, SB 487, HB 9, HB 17, HB 34, HB 38, HB 97, HB 212, HB 215, HB 225, HB 350, HB 367, HB 372, HB 389, HB 474, HB 478, HB 500, HB 507, HB 510, HB 558, HB 563, HB 580, HB 611, HB 646, HB 652, HB 666, HB 709, HB 765, HB 827, HB 868, HB 873, HB 874, HB 876, SJR 36, HJR 34, HJR 49, HJR 66.

Jean A. Turnage
 President

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Free Conference Committee Report to the following House Bill was on 2/25/81, adopted on Third Reading:

Free Conference Committee Report to House Bill No. 94

The Free Conference Committee Report to the following House Bill was on 4/23/81, adopted on Third Reading:

Free Conference Committee Report to House Bill No. 202

The Free Conference Committee on Senate Amendments to House Bill No. 636 made a motion that House Bill No. 636 be passed until the 91st Day. The motion was passed.

The Conference Committee Report to the following House Bill was on 4/23/81, adopted on Third Reading:

Conference Committee Report to House Bill No. 775

The new Free Conference Committee Report to the following House Bill was on 4/23/81, adopted on Third Reading:

New Free Conference Committee Report to House Bill No. 500

The House on 4/23/81, recommended that further action be indefinitely postponed on the following Senate Joint Resolution, and the said Senate Joint Resolution was returned to the Senate:

Senate Joint Resolution No. 23, introduced by Senate Committee on Taxation

The House on 4/23/81, authorized the Speaker to appoint a Free Conference Committee on House Amendments to Senate Bill No. 337.

The Speaker appointed the following members:

Representative Nordtvedt, Chairman
Representative Fabrega
Representative Harrington

House Bill No. 225, introduced by Ellison, requiring adoption by an affirmative vote of two-thirds of the Legislature, passed the House on 4/23/81, and was transmitted to the Senate with the following vote:

HOUSE OF REPRESENTATIVES

YEAS - 67
NAYS - 30

The Free Conference Committee Report to the following House Bill was on 4/23/81, adopted on Third Reading:

Free Conference Committee Report to House Bill No. 500

The Conference Committee Report to the following House Bill was on 4/23/81, adopted on Third Reading:

Conference Committee Report to House Bill No. 17

The Senate Amendments to the following House Bill were on 4/23/81, concurred in on Third Reading:

Senate Amendments to House Bill No. 225 (69-21)

The following Free Conference Committee Report was on 4/23/81, not concurred in on Third Reading:

Free Conference Committee Report to Senate Bill No. 483

House Bill No. 233, introduced by Moore, requiring adoption by an affirmative vote of two-thirds of the Legislature, failed to pass on 4/23/81, and was transmitted to the Senate with the following vote:

HOUSE OF REPRESENTATIVES

YEAS - 63
NAYS - 35

The Free Conference Committee Report to the following Senate Bill was on 4/23/81, adopted on Third Reading:

Free Conference Committee Report on Senate Bill No. 337

The Senate Amendments to the following House Bills were on 4/23/81, concurred in on Third Reading:

Senate Amendments to House Bill No. 868 (82-4)

Senate Amendments to House Bill No. 666 (60-26)

The Senate Amendments to the following House Joint Resolution were on 4/23/81, concurred in on Third Reading:

Senate Amendments to House Joint Resolution No. 34 (81-6)

The Senate Amendments to the following House Bill were on 4/23/81, not concurred in on Third Reading:

Senate Amendments to House Bill No. 869

At the request of the President, and without objection, the Senate reverted to Order of Business No. 1.

COMMUNICATIONS AND PETITIONS

April 22, 1981

MEMORANDUM

TO: Don Byrd, Chief Clerk of the House

FROM: Robert L. Marks, Speaker of the House

RE: Committee Appointment

This is to advise that I have appointed Representative Aubyn Ann Curtiss to serve on the Legislative Energy Policy Committee pursuant to Section 90-4-303, Montana Codes Annotated.

April 23, 1981

Speaker Robert L. Marks

Minority Leader of the House Daniel Kemmis

Minority Leader of the Senate Chet Blaylock

This letter is to advise you that pursuant to Section 90-4-303, I hereby designate Senator Harold L. Dover as a member of the Legislative Energy Policy Committee.

Sincerely,

J. A. Turnage,
President of the Senate

MOTIONS

Senator Van Valkenburg moved that the Senate request the House to return House Bill No. 869 for further consideration. Motion carried by the following vote:

Ayes: Anderson, Berg, Blaylock, Boylan, S. Brown, Conover, Dover, Eck, Galt, Goodover, Hafferman, Haffey, Hager, Halligan, Hammond, Healy, Jacobson, Johnson, Lee, Manning, Mazurek, Norman, O'Hara, Regan, Ryan, Stephens, Stimatz, Story, Thomas, Towe, Van Valkenburg, Mr. President.
Total 32

Noes: Aklestad, B. Brown, Crippen, Elliott, Etchart, Himsl, Keating, Manley, McCallum, Nelson, Ochsner, Olson, Severson, Smith, Tveit.
Total 15

Ayes: Abrams, Azzara, Bergene, Brand, Brown, Conn, Daily, Dozier, Dussault, Eudaily, Fabrega, Gould, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Jacobsen, Kanduch, Kemmis, Kennerly, Lory, Manning, Manuel, Matsko, McBride, Menahan, Metcalf, Meyer, Moore, Neuman, Nilson, O'Connell, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roush, Seifert, Shelden, Teague, Vincent, Waldron, Zabrocki.
Total 46

Noes: Anderson, Andreason, Asay, Bardanouve, Bengtson, Bennett, Bertelsen, Briggs, Burnett, Conroy, Cozzens, Curtiss, Devlin, Donaldson, Ellerd, Ellison, Ernst, Fagg, Fedra, Hannah, Hanson, Harp, Hurwitz, Iverson, Jensen, Keedy, Kessler, Keyser, Kitselman, Kropp, Lund, McLane, Mueller, Nordtvedt, Oberg, O'Hara, Roth, Ryan, Sales, Schultz, Shontz, Sivertsen, Smith, Spilker, Stobie, Switzer, Thoft, Underdal, Vinger, Wallin, Williams, Winslow, Yardley, Mr. Speaker.
Total 54

Paired: Bergene, Conn, Dozier, Fabrega, Gould, Hemstad, Lory, McBride, Meyer, Moore, Phillips, Shelden, Ayes; Andreason, Briggs, Ellerd, Fagg, Fedra, Hannah, Lund, Sales, Smith, Vinger, Wallin, Winslow, Noes.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

MOTIONS

Representative Fabrega moved that the House reconsider its action in failing to pass Senate Amendments to HB 868 on Second Reading this day. Motion failed. (41-41)

Representative Azzara moved that his vote be recorded as yes. Motion carried. (67-8)

Representative O'Hara moved that his vote be recorded as no. Motion carried.

Thereupon, the motion of Representative Fabrega failed. (42-42)

REPORTS OF SELECT COMMITTEES

FREE CONFERENCE COMMITTEE ON SENATE BILL NO. 337 Report No. 1, April 23, 1981

Mr. President and Speaker of the House:

We, your Free Conference Committee on Senate Bill No. 337, met April 23, 1981, and considered:

House Committee of the Whole amendments to the third reading copy, dated April 22, 1981.

We recommend that:

The House recede from Committee amendments no. 1 through 14; and the Senate accede to Committee amendment no. 15.

The third reading copy of Senate Bill No. 337 be further amended as indicated in clerical instructions no. 2 through 5.

The third reading copy of Senate Bill No. 337 read as specified in the clerical instructions.

The Free Conference Committee Report on Senate Bill No. 337 be adopted.

CLERICAL INSTRUCTIONS:

1. Page 6, line 4.
Following: "exceed"
Strike: "\$400"
Insert: "\$150"

2. Page 1, line 19.
Following: "income"
Insert: "except all payments received under federal social security"

3. Page 2, line 3.
Following: "relief;"
Insert: "and"

4. Page 2, lines 4 and 5.
Strike: subsection (g)
Reletter: subsequent subsection

5. Page 2, line 19.
Following: "all income"
Insert: "except payments received under federal social security"

FOR THE HOUSE:

Nordtvedt
Fabrega
Harrington

FOR THE SENATE:

B. Brown
Hazelbaker
Regan

SECOND READING OF BILLS (COMMITTEE OF THE WHOLE) #8

Representative Fagg moved that the House resolve itself into a Committee of the Whole, for the consideration of business on Second Reading under the rules of the previous sitting. Motion carried.

Representative Dussault in the Chair. Committee arose.

House resumed. Mr. Speaker in the Chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on Second Reading, recommend as follows:

Representative Harrington moved that the Free Conference Committee Report on SB 337 be adopted. Motion carried by the following vote:

Ayes: Abrams, Anderson, Azzara, Bardanouve, Bennett, Bergene, Bertelsen, Brand, Brown, Conn, Conroy, Cozzens, Daily, Donaldson, Dussault, Ellison, Ernst, Eudaily, Fabrega, Fagg, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Hurwitz, Iverson, Jacobsen, Jensen, Kanduch, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Lory, Manning, Manuel, Marks, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Mueller, Neuman, Nilson, Oberg, O'Connell, O'Hara, Pavlovich, Pistoria, Quilici, Robbins, Roth, Roush, Seifert, Shontz, Sivertsen, Spilker, Teague, Thoft, Vincent, Waldron, Williams, Winslow, Yardley, Zabrocki.
Total 73

Noes: Asay, Bengtson, Burnett, Curtiss, Devlin, Keedy, Kropp, Nordtvedt, Phillips, Ryan, Schultz, Stobie, Switzer, Underdal.
Total 14

Excused: Andreason, Briggs, Dozier, Ellerd, Feda, Gould, Hannah, Lund, Sales, Shelden, Smith, Vinger, Wallin.
Total 13

Absent or not voting: None.
Total 0

That the Committee rise and report and beg leave to sit again.
(Dussault, Chairman). Report adopted. (58-13)

MOTIONS

Representative Fagg moved that the rules be suspended to allow the House to reconsider HB 868 for the second time. Motion carried. (79-4)

Representative Shontz moved that the House reconsider its action in failing to concur in Senate Amendments to HB 868. Motion carried.

SECOND READING OF BILLS (COMMITTEE OF THE WHOLE) #9

Representative Fagg moved that the House resolve itself into a Committee of the Whole, for the consideration of business on Second Reading under the rules of the previous sitting. Motion carried.

Representative Dussault in the Chair. Committee arose.

House resumed. Mr. Speaker in the Chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on Second Reading, recommend as follows:

Representative Bennett excused at this time.

Representative Shontz moved that Senate Amendments to HB 868 be concurred in. Motion carried by the following vote:

Ayes: Abrams, Anderson, Asay, Azzara, Bardanouve, Bengtson, Bergene, Bertelsen, Brand, Burnett, Conn, Cozzens, Curtiss, Devlin, Donaldson, Dussault, Ellison, Ernst, Eudaily, Fabrega, Fagg, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Hurwitz, Iverson, Jacobsen, Jensen, Kanduch, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Manning, Manuel, Marks, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Mueller, Neuman, Nilson, Oberg, O'Connell, O'Hara, Pavlovich, Phillips, Pistoria, Quilici, Robbins, Roth, Roush, Ryan, Schultz, Seifert, Shontz, Sivertsen, Spilker, Stobie, Switzer, Teague, Thoft, Underdal, Vincent, Williams, Winslow, Yardley, Zabrocki.
Total 80

Noes: Conroy, Daily, Keedy, Nordtvedt, Waldron.
Total 5

Excused: Andreason, Bennett, Briggs, Dozier, Ellerd, Feda, Gould, Hannah, Lund, Sales, Shelden, Smith, Vinger, Wallin.
Total 14

Absent or not voting: Brown.
Total 1

Representative Bennett present at this time.

Representative Vincent moved that Senate Amendments to HJR 34 be concurred in. Motion carried by the following vote:

Ayes: Abrams, Anderson, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Brand, Brown, Conn, Conroy, Cozzens, Devlin, Donaldson, Dussault, Ellison, Ernst, Eudaily, Fabrega, Fagg, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Hurwitz, Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Manning, Manuel, Marks, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Mueller, Neuman, Nilson, Oberg, O'Connell, O'Hara, Phillips, Pistoria, Quilici, Robbins, Roush, Ryan, Schultz, Seifert, Shontz, Spilker, Stobie, Switzer, Thoft, Vincent, Waldron, Williams, Winslow, Yardley, Zabrocki.
Total 78

Noes: Burnett, Curtiss, Daily, Nordtvedt, Roth, Sivertsen, Teague, Underdal.
Total 8

Excused: Andreason, Briggs, Dozier, Ellerd, Feda, Gould, Hannah, Lund, Sales, Shelden, Smith, Vinger, Wallin.
Total 13

Absent or not voting: Pavlovich.
Total 1

That the Committee rise and report. (Dussault, Chairman). Report adopted. (80-7)

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

Free Conference Committee Report on Senate Bill No. 337 was adopted by the following vote:

Ayes: Abrams, Anderson, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Brand, Brown, Conn, Conroy, Cozzens, Donaldson, Dussault, Ellison, Ernst, Eudaily, Fabrega, Fagg, Hanson, Harp, Harper, Harrington, Hart, Hemstad, Holliday, Huennekens, Hurwitz, Iverson, Jacobsen, Jensen, Kanduch, Keedy, Kemmis, Kennerly, Kessler, Keyser, Kitselman, Kropp, Lory, Manning, Manuel, Matsko, McBride, McLane, Menahan, Metcalf, Meyer, Moore, Mueller, Neuman, Nilson, Oberg, O'Connell, O'Hara, Pavlovich, Pistoria, Quilici, Robbins, Roth, Roush, Schultz, Seifert, Shontz, Sivertsen, Spilker, Teague, Thoft, Vincent, Waldron, Williams, Winslow, Yardley, Zabrocki, Mr. Speaker.
Total 77

Noes: Burnett, Curtiss, Daily, Devlin, Nordtvedt, Phillips, Ryan, Stobie, Switzer, Underdal.
Total 10

Excused: Andreason, Briggs, Dozier, Ellerd, Feda, Gould, Hannah, Lund, Sales, Shelden, Smith, Vinger, Wallin.
Total 13

Absent or not voting: None.
Total 0

Senate Amendments to House Bill No. 868 were concurred in by the following vote:

Ayes: Abrams, Anderson, Asay, Azzara, Bardanouve, Bengtson, Bennett, Bergene, Bertelsen, Brand, Brown, Burnett, Conn, Conroy, Cozzens, Curtiss, Devlin, Donaldson, Dussault, Ellison, Ernst, Eudaily, Fabrega,

SENATE BILL NO. 337

INTRODUCED BY REGAN, BLAYLOCK, TONE, HAFFEY, MAZUREK,

HALLIGAN, CONOVER, ECK, BERG, NORMAN, JACOBSON,

P. RYAN, HAFFERMAN, THOMAS, STIMATZ, HEALY

BY REQUEST OF THE OFFICE OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE PROPERTY TAX RELIEF TO CERTAIN HOMEOWNERS AND RENTERS BY MEANS OF A CREDIT AGAINST INDIVIDUAL INCOME TAX LIABILITY; PROVIDING PENALTIES FOR FRAUDULENT CLAIMS; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in [sections 1 through 10 9], the following definitions apply:

(1) "Income" means federal adjusted gross income, without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all nontaxable income EXCEPT ALL PAYMENTS RECEIVED UNDER FEDERAL SOCIAL SECURITY, including but not limited to:

(a) the gross amount of any pension or annuity (including Railroad Retirement Act benefits and veterans' disability benefits);

(b) the amount of capital gains excluded from adjusted gross income;

(c) alimony;

(d) support money;

(e) nontaxable strike benefits;

(f) cash public assistance and relief; AND

~~(g) -- all -- payments -- received -- under -- federal -- social security -- and~~

~~(h) (G)~~ payments and interest on federal, state, county, and municipal bonds.

(2) "Claim period" means the tax year for individuals required to file Montana individual income tax returns and the calendar year for individuals not required to file returns.

(3) "Claimant" means an individual natural person who is eligible to file a claim under [section 2].

(4) "Household" means an association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses. The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

(5) "Household income" means all ADJUSTED-GROSS income AS-REPORTED-ON-FEDERAL-INCOME-TAX--RETURNS EXCEPT PAYMENTS RECEIVED UNDER FEDERAL SOCIAL SECURITY received by all individuals of a household while they are members of the household.

(6) "Homestead" means a single-family dwelling or unit

1 of a multiple-unit dwelling that is subject to ad valorem
2 taxes in Montana, owned and occupied as a residence by the
3 owner for at least 6 months of the claim period or occupied
4 as a dwelling of a renter or lessee for at least 6 months of
5 the claim period, and as much of the surrounding land, but
6 not in excess of 1 acre, as is reasonably necessary for its
7 use as a dwelling.

8 (7) "Department" means the department of revenue.

9 (8) "Gross rent" means the total rent in cash or its
10 equivalent actually paid during the claim period by the
11 renter or lessee for the right of occupancy of the homestead
12 pursuant to an arm's length transaction with the landlord.

13 (9) "Property tax paid" means general ad valorem taxes
14 levied against the homestead, exclusive of special
15 assessments, penalties, or interest and paid during the
16 claim period.

17 (10) "Rent-equivalent tax paid" means 15% of the gross
18 rent.

19 Section 2. Eligibility. In order to be eligible to
20 make a claim under [sections 1 through 10 9], an individual
21 must have reached age 62 or older during the claim period
22 for which relief is sought and must have resided in Montana
23 for at least 9 months of that period.

24 Section 3. Disallowance or adjustment of certain
25 claims. (1) A claim is disallowed if the department finds

1 that the claimant received title to his homestead primarily
2 for the purpose of receiving benefits under [sections 1
3 through 10 9].

4 (2) When the landlord and tenant have not dealt at
5 arm's length and the department judges the gross rent
6 charged to be excessive, the department may adjust the gross
7 rent to a reasonable amount.

8 Section 4. Filing date. (1) Except as provided in
9 subsection (2), a claim for relief must be submitted at the
10 same time the claimant's individual income tax return is
11 due. For an individual not required to file a tax return,
12 the claim must be submitted on or before April 15 of the
13 year following the year for which relief is sought.

14 (2) The department may grant a reasonable extension
15 for filing a claim whenever, in its judgment, good cause
16 exists. The department shall keep a record of each extension
17 and the reason for granting the extension.

18 (3) In the event that an individual who would have a
19 claim under [sections 1 through 10 9] dies before filing the
20 claim, the personal representative of the estate of the
21 decedent may file the claim.

22 Section 5. Form of relief. Relief under [sections 1
23 through 10 9] is a credit against the claimant's Montana
24 individual income tax liability for the claim period. If the
25 amount of the credit exceeds the claimant's liability under

1 Title 15, chapter 30, the amount of the excess shall be
2 refunded to the claimant. The credit may be claimed even
3 though the claimant has no income taxable under Title 15,
4 chapter 30.

5 Section 6. Computation of relief. The amount of the
6 tax credit granted under the provisions of [sections 1
7 through ~~§ 9~~] is computed as follows:

8 (1) In the case of a claimant who owns the homestead
9 for which a claim is made, the credit is the amount of
10 property tax paid less the deduction specified in subsection
11 (3).

12 (2) In the case of a claimant who rents the homestead
13 for which a claim is made, the credit is the amount of
14 rent-equivalent tax paid less the deduction specified in
15 subsection (3).

16 (3) Property tax paid and rent-equivalent tax paid are
17 reduced according to the following schedule:

Household income	Amount of reduction
18 \$-----0-999	
19 \$-----0-749	
20 \$-----0-749	
21 \$-----0-999	\$0
22 --1000-1999	
23 ---750-1499	
24 ---1000-1999	\$0
25 --2000-2999	

1 --1500-2249	
2 2000-2999	the product of .006 times the household income
3 --3000-3999	
4 --2250-2999	
5 3000-3999	the product of .016 times the household income
6 --4000-4999	
7 --3000-3749	
8 4000-4999	the product of .024 times the household income
9 --5000-5999	
10 --3750-4499	
11 5000-5999	the product of .028 times the household income
12 --6000-6999	
13 --4500-5249	
14 6000-6999	the product of .032 times the household income
15 --7000-7999	
16 --5250-5999	
17 7000-7999	the product of .035 times the household income
18 --8000-8999	
19 --6000-6749	
20 8000-8999	the product of .039 times the household income
21 --9000-9999	
22 --6750-7499	
23 9000-9999	the product of .042 times the household income
24 10000-10999	
25 --7500-8249	

1 10000-10999 the product of .045 times the household income
 2 11000-11999
 3 --8250-8999
 4 11000-11999 the product of .048 times the household income
 5 12000 & over
 6 9000 & OVER
 7 12000 & OVER the product of .050 times the household income
 8 (4) In no case may the credit granted exceed \$400
 9 \$150.

10 Section 7. Limitations. (1) Only one claimant per
 11 household in a claim period under the provisions of
 12 [sections 1 through ~~10~~ 9] is entitled to relief.

13 (2) No claim for relief may be allowed for any portion
 14 of property taxes paid or rent-equivalent taxes paid that is
 15 derived from a public rent or tax subsidy program.

16 Section 8. Proof of claim. A receipt showing property
 17 tax paid or a receipt showing gross rent paid, whichever is
 18 appropriate, must be filed with each claim. In addition,
 19 each claimant must, at the request of the department, supply
 20 all additional information necessary to support his claim.

21 Section 9. Denial of claim. A person filing a false or
 22 fraudulent claim under the provisions of [sections 1 through
 23 ~~10~~ 9] shall be charged with the offense of unsworn
 24 falsification to authorities pursuant to section 45-7-203.
 25 If a false or fraudulent claim has been paid, the amount

1 paid may be recovered as any other debt owed to the state.
 2 An additional 10% may be added to the amount due as a
 3 penalty. The unpaid debt shall bear interest from the date
 4 of the original payment of claim until paid, at the rate of
 5 1% per month.

6 ~~Section 10. Administration. The department may adopt~~
 7 ~~rules necessary for the administration of [sections 1~~
 8 ~~through 10] and shall make the appropriate forms and~~
 9 ~~instructions available to the public.~~

10 Section 10. Codification instruction. Sections 1
 11 through ~~10~~ 9 of this act are intended to be codified as an
 12 integral part of Title 15, chapter 30, and the provisions of
 13 Title 15, chapter 30, apply to sections 1 through ~~10~~ 9.

14 Section 11. Effective date. This act is effective on
 15 passage and approval and is applicable to claim periods
 16 beginning during and after calendar year 1981.

-End-